

May 14, 2024



# YY Group Reports Full-Year 2023 Financial Results

*Revenue totaled \$31.8 million, a 59% increase year-over-year*

*Gross Profit was \$3.7 million, a 42% increase year-over-year*

SINGAPORE, May 14, 2024 (GLOBE NEWSWIRE) -- YY Group Holding Limited (NASDAQ: YYGH) ("YY Group", "YYGH", or the "Company"), a data and technology-driven company that specializes in creating enterprise intelligent labor matching services and smart cleaning solutions, today announced its financial results for the full year ended December 31, 2023.

"We are pleased to report growing revenues and increased gross profits for 2023, up 59% and 42% year-over-year, respectively," said Mike Fu, Founder and Chief Executive Officer of YY Group. "With our recent IPO on the Nasdaq and expansion into new countries, we continue to successfully execute our strategic plan, to grow the Company and create value for our shareholders."

## **Full Year 2023 and Subsequent Operational Highlights:**

- Completed initial public offering of 1,125,000 Class A Ordinary Shares at \$4.00 per share, for aggregate gross proceeds of approximately \$4.5 million
- Expanded into Australia, Vietnam and Cambodia hotel and hospitality markets

## **Full Year 2023 Financial Highlights:**

*All numbers below as of December 31, 2023*

- Revenue totaled \$31.8 million, a 59% increase from \$20.0 million, year-over-year
- Cost of Revenue totaled \$28.1 million, a 61% increase from \$17.5 million, year-over-year
- Gross Profit totaled \$3.7 million, a 42% increase from \$2.6 million, year-over-year
- Operating profit and net profit of \$1.4 million and \$864,000, respectively

Total revenues increased by \$11.8 million or approximately 59%, from \$20.0 million for the year ended December 31, 2022, to \$31.8 million for the year ended December 31, 2023. Total revenues increased due to an approximately 41% increase in cleaning services and an approximately 94% increase in manpower outsourcing services.

Gross profit increased by \$1.1 million, from \$2.6 million to \$3.7 million or approximately 42% primarily due to the increase in gross profit from both cleaning and manpower services.

For the year ended December 31, 2023, we generated operating profit and net profit of \$1.4 million and \$864,000, respectively.

The total cost of revenue increased by \$10.6 million or 61%, from \$17.5 million for the year ended December 31, 2022, to \$28.1 million for the year ended December 31, 2023. The approximately 61% overall increase in cost of revenue is primarily driven by an increase in manpower cost incurred in both cleaning services and manpower outsourcing services, primarily due to an increase in hourly charging rate of casual labors, increase in customers demand and orders fulfilled as a result of expansion of business.

General and administrative expenses increased by \$937,200, or approximately 31%, from \$2.9 million for the year ended December 31, 2022, to \$3.8 million for the year ended December 31, 2023, mainly due to an increase in staff expenses resulted from increased number of employees and administrative expenses to support expanded business.

As of December 31, 2023, the Company had cash balances of \$467,235, current assets of \$10.2 million and current liabilities of \$6.0 million, which resulted in a positive working capital of \$4.2 million.

### **About YY Group Holding Limited**

YY Group Holding Limited is a Singapore-based company dedicated to redefining digital interactions and creating impactful connections in the ever-evolving digital landscape. Rooted in innovation and a commitment to user-centric experiences, YY Circle leverages cutting-edge technology to foster engagement, collaboration, and community building. For more information, please visit <https://yygroupholding.com/>.

### **Forward Looking Statements**

This press release contains statements that constitute "forward-looking statements," including with respect to the proposed initial public offering and the anticipated use of the net proceeds. No assurance can be given that the offering discussed above will be completed on the terms described, or at all, or that the net proceeds of the offering will be used as indicated. Forward-looking statements are subject to numerous conditions, many of which are beyond the control of the Company, including those set forth in the Risk Factors section of the Company's registration statement and preliminary prospectus for the Company's offering filed with the SEC. Copies of these documents are available on the SEC's website, [www.sec.gov](http://www.sec.gov). The Company undertakes no obligation to update these statements for revisions or changes after the date of this release, except as required by law.

### **For further information, please contact:**

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YY GROUP, CONDENSED CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31  
2023

|   | Note | 2023              | 2022                              |
|---|------|-------------------|-----------------------------------|
|   |      | USD               | (As revised <sup>2</sup> )<br>USD |
| <b>Assets</b>                                       |      |                   |                                   |
| Current assets:                                     |      |                   |                                   |
| Cash  | 5    | 467,235           | 161,022                           |
| Trade receivables                                   | 6    | 7,037,942         | 4,155,737                         |
| Prepayment and other current assets                 | 7    | 2,667,166         | 425,649                           |
| Amount due from related parties                     | 18   | 31,298            | 457,312                           |
| <b>Total Current Assets</b>                         |      | <b>10,203,641</b> | <b>5,199,720</b>                  |
| Non-current assets:                                 |      |                   |                                   |
| Right-of-use assets                                 | 8    | 78,434            | 210,651                           |
| Property and equipment, net                         | 9    | 368,621           | 278,866                           |
| Prepayment, non-current                             | 7    | 18,656            | -                                 |
| Deferred tax assets                                 | 17   | 738               | 78,545                            |
| <b>Total Non-current assets</b>                     |      | <b>466,449</b>    | <b>568,062</b>                    |
| <b>Total Assets</b>                                 |      | <b>10,670,090</b> | <b>5,767,782</b>                  |
| Currents Liabilities:                               |      |                   |                                   |
| Trade and other payables                            | 10   | 2,996,636         | 2,013,743                         |
| Amount due to related parties                       | 18   | 67,521            | 74,292                            |
| Lease liabilities, current                          | 11   | 69,135            | 147,474                           |
| Loans and borrowings, current                       | 11   | 2,856,491         | 1,279,314                         |
| <b>Total Current Liabilities</b>                    |      | <b>5,989,783</b>  | <b>3,514,823</b>                  |
| Non-current Liabilities:                            |      |                   |                                   |
| Loans and borrowings, non-current                   | 11   | 523,607           | 503,286                           |
| Convertible notes – liability component             | 11   | -                 | 736,129                           |
| Lease liabilities, non-current                      | 11   | 15,187            | 71,895                            |
| <b>Total Non-current Liabilities</b>                |      | <b>538,794</b>    | <b>1,311,310</b>                  |
| <b>Total Liabilities</b>                            |      | <b>6,528,577</b>  | <b>4,826,133</b>                  |
| <b>Equity</b>                                       |      |                   |                                   |
| Share Capital*                                      | 12   | 3,564,150         | 1,228,037                         |
| Reserves  | 12   | 20,667            | 20,825                            |
| Retained earnings (accumulated deficit)             |      | 545,797           | (306,537)                         |
| <b>Equity attributable to owners of the Company</b> |      | <b>4,130,614</b>  | <b>942,325</b>                    |

|                                     |                   |                  |
|-------------------------------------|-------------------|------------------|
| Non-controlling interests           | 10,899            | (676)            |
| <b>Total equity</b>                 | <b>4,141,513</b>  | <b>941,649</b>   |
| <b>Total liabilities and equity</b> | <b>10,670,090</b> | <b>5,767,782</b> |

YY GROUP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AS OF  
DECEMBER 31 2023

|   | Note | 2023             | 2022                              |
|---|------|------------------|-----------------------------------|
|   |      | USD              | (As revised <sup>2</sup> )<br>USD |
| Revenue   | 14   | 31,772,286       | 20,022,529                        |
| Cost of revenue   | 15   | (28,120,506)     | (17,450,131)                      |
| <b>Gross profit</b>   |      | <b>3,651,780</b> | <b>2,572,398</b>                  |
| Other income  | 15   | 1,830,899        | 1,952,420                         |
| Selling and marketing expenses                                | 15   | (191,582)        | (325,678)                         |
| General and administrative expenses                           | 15   | (3,846,367)      | (2,909,167)                       |
| Other expenses  |      | (27,781)         | (57,113)                          |
| <b>Operating profit</b>                                       |      | <b>1,416,949</b> | <b>1,232,860</b>                  |
| Finance cost  | 16   | (328,610)        | (329,370)                         |
| <b>Profit before tax</b>                                      |      | <b>1,088,339</b> | <b>903,490</b>                    |
| Income tax (expenses) benefit                                 | 17   | (224,302)        | (142,150)                         |
| <b>Profit for the year</b>                                    |      | <b>864,037</b>   | <b>761,340</b>                    |
| Other comprehensive income (loss)                             |      |                  |                                   |
| Foreign currency translation differences - foreign operations |      | 7,301            | 26,931                            |
| <b>Total comprehensive income for the year</b>                |      | <b>871,338</b>   | <b>788,271</b>                    |
| <b>Profit (loss) attributable to:</b>                         |      |                  |                                   |
| Equity owners of the Company                                  |      | 852,334          | 761,628                           |
| Non-controlling interests                                     |      | 11,703           | (288)                             |
| <b>Profit for the year</b>                                    |      | <b>864,037</b>   | <b>761,340</b>                    |
| <b>Total comprehensive income (loss) attributable to:</b>     |      |                  |                                   |
| Equity owners of the Company                                  |      | 859,763          | 788,947                           |
| Non-controlling interests                                     |      | 11,575           | (676)                             |
| <b>Total comprehensive income for the year</b>                |      | <b>871,338</b>   | <b>788,271</b>                    |

|                                    |    |      |      |
|------------------------------------|----|------|------|
| <b>Basic earnings per share*</b>   | 13 | 0.02 | 0.02 |
| <b>Diluted earnings per share*</b> | 13 | 0.02 | 0.02 |

YY GROUP CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS AS OF  
DECEMBER 31 2023

|   | <b>2023</b>      | <b>2022</b>                     |
|---|------------------|---------------------------------|
|   | <b>USD</b>       | <b>(As revised<sup>2</sup>)</b> |
|   | <b>USD</b>       | <b>USD</b>                      |
| <b>Operating activities</b>                         |                  |                                 |
| Profit for the year                                 | 864,037          | 761,340                         |
| <b>Adjustments for:</b>                             |                  |                                 |
| Depreciation of property and equipment (Note 9)     | 122,695          | 213,206                         |
| Depreciation of right-of-use assets (Note 8)        | 165,862          | 127,352                         |
| Finance Cost (Note 16)                              | 328,610          | 329,370                         |
| Loss on disposal of property and equipment          | -                | 48,395                          |
| Gain on lease termination                           | (860)            | -                               |
| Income tax expenses (benefit) (Note 17)             | 224,302          | 142,150                         |
|   | <b>1,704,646</b> | <b>1,621,813</b>                |
| <b>Changes in operating assets and liabilities:</b> |                  |                                 |
| Trade receivables                                   | (1,636,577)      | (192,652)                       |
| Trade and other payables                            | 879,705          | (89,769)                        |
| Amount due to related parties                       | (285,927)        | (22,083)                        |
| Prepayment and other assets                         | (182,850)        | (121,436)                       |
| <b>Cash provided by operations</b>                  | <b>478,997</b>   | <b>1,195,873</b>                |
| Interest paid                                       | (308,651)        | (225,193)                       |
| Income tax paid                                     | (118,638)        | (75,736)                        |
| Income tax refund                                   | -                | 40,329                          |
| <b>Net cash provided by operating activities</b>    | <b>51,708</b>    | <b>935,273</b>                  |
| <b>Investing activities</b>                         |                  |                                 |
| Purchase of property and equipment (Note 9)         | (224,185)        | (112,113)                       |
| <b>Net cash used in investing activities</b>        | <b>(224,185)</b> | <b>(112,113)</b>                |
| <b>Financing activities</b>                         |                  |                                 |
| Issuance of Class A shares                          | -                | 212,450                         |
| Issuance of a convertible loan                      | -                | 743,273                         |
| Proceeds from guaranteed bank loans                 | 931,862          | 1,603,768                       |
| Repayment from a shareholder's loan                 | 1,852,945        | -                               |

|  |                |                  |
|--|----------------|------------------|
| Loan to a shareholder                                      | (1,146,464)    | (1,035,306)      |
| Loan to a related party                                    | -              | (25,167)         |
| Payment of lease liabilities                               | (178,040)      | (133,382)        |
| Payment of listing expenses                                | (439,513)      | -                |
| Repayment of guaranteed bank loans                         | (550,426)      | (2,091,971)      |
| <b>Net cash provided by (used in) financing activities</b> | <b>470,364</b> | <b>(726,335)</b> |
| Effect of foreign exchange of cash                         | 8,326          | (1,796)          |
| <b>Net increase in cash</b>                                | <b>306,213</b> | <b>95,029</b>    |
| Cash balances at beginning of year                         | 161,022        | 65,993           |
| <b>Cash balances at end of year (Note 5)</b>               | <b>467,235</b> | <b>161,022</b>   |

Source: YY Group Holding Limited