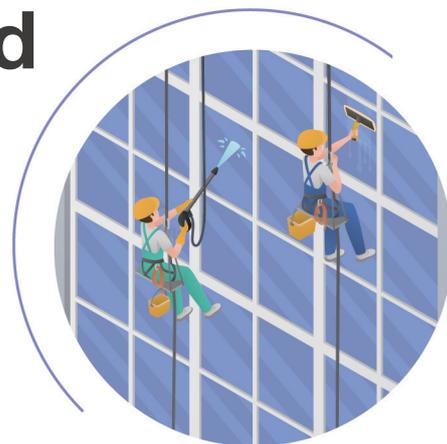




# Hygieia Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1650



**2022**  
INTERIM REPORT

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors\*

Mr. Toh Eng Kui  
Mr. Peh Poon Chew  
Ms. Toh Lek Siew

*(appointed with effect from 2 June 2022)*

#### Independent Non-Executive Directors

Mr. Koh How Thim  
Mr. Tan Wu Hao  
Mr. Wong Yuk

#### AUTHORISED REPRESENTATIVES\*

Mr. Toh Eng Kui  
*(appointed with effect from 2 June 2022)*  
Mr. Lau Chung Wai

#### COMPANY SECRETARY

Mr. Lau Chung Wai

#### AUDIT COMMITTEE

Mr. Wong Yuk (*Chairman*)  
Mr. Koh How Thim  
Mr. Tan Wu Hao

### REMUNERATION COMMITTEE

Mr. Koh How Thim (*Chairman*)  
Mr. Wong Yuk  
Mr. Tan Wu Hao

### NOMINATION COMMITTEE

Mr. Tan Wu Hao (*Chairman*)  
Mr. Wong Yuk  
Mr. Koh How Thim

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

6 Tagore Drive  
#B1-02  
Tagore Building  
Singapore 787623

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1102, 11th Floor,  
Brill Plaza  
No. 84 To Kwa Wan Road  
To Kwa Wan, Kowloon  
Hong Kong

\* Mr. Hong Rui Sheng, a former executive Director and an authorised representative, resigned with effect from 1 July 2022.



## AUDITOR

**HLB Hodgson Impey Cheng Limited**  
*Certified Public Accountants*  
Registered Public Interest Entity Auditor  
31st Floor, Gloucester Tower  
The Landmark  
11 Pedder Street Central  
Hong Kong

## COMPLIANCE ADVISER

**Fortune Financial Capital Limited**  
4102-06, 41/F, Cosco Tower  
183 Queen's Road Central  
Hong Kong

## LEGAL ADVISORS AS TO HONG KONG LAW

**Morgan, Lewis & Bockius**  
Suites 1902-09, 19th Floor  
Edinburgh Tower, The Landmark  
15 Queen's Road Central, Hong Kong

## CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

**Conyers Trust Company (Cayman) Limited**  
Cricket Square, Hutchins Drive, PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

**Tricor Investor Services Limited**  
17/F., Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## PRINCIPAL BANKERS

**Oversea-Chinese Banking Corporation Limited**  
65 Chulia Street  
OCBC Centre  
Singapore 049513

## STOCK CODE

1650

## COMPANY WEBSITE

<http://www.hygieiagroup.com/>



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is an established general cleaning service provider in the environmental services industry headquartered in Singapore with operations in both Singapore and Thailand. The Group primarily provides general cleaning works for a variety of public and private venues including medical centres, shopping malls, commercial and industrial buildings, schools, hotels, private condominiums as well as public access areas in town councils in Singapore. In Thailand, the Group provides general cleaning works for private customers at private residences, offices and industrial buildings.

The Group has more than 25 years of experience in the environmental services industry, and with their L6-graded FM02 workhead for “Housekeeping, Cleansing, Desilting and Conservancy” services currently held by Eng Leng, the Group is able to tender for public sector service contracts of an unlimited contract value. As at 30 August 2022, Eng Leng was one of 39 registered contractors holding an L6-graded FM02 workhead among 468 contractors registered with the FM02 workhead. The Group has a quality management system accredited by their ISO 9001:2015 certification for the provision of cleaning and housekeeping services, and the Group has been recognised by the NEA through a Clean Mark Silver award for delivering high cleaning standards.

As at 31 August 2022, the Group has 294 ongoing service contracts, excluding one-off contracts, with outstanding contract sums of approximately S\$42.3 million.

### FUTURE PROSPECTS

In 2022, the Group will continue its vision to become an integrated service provider in the environmental services industry, and to provide consistent and quality cleaning services to customers. The management and staff will remain vigilant and nimble, look ahead and make necessary adjustments to remain a market leader in the environmental services industry in Singapore. The Group will strive to further entrench and increase its market presence in the industry.

### FINANCIAL REVIEW

#### Revenue

For the six months ended 30 June 2022, the Group’s total revenue was approximately S\$34.3 million, representing a decrease of approximately 3.3% from approximately S\$35.5 million as compared with the corresponding period of 2021. This decrease was primarily due to the more challenging and competitive environment arising from the prolonged COVID-19 pandemic situation.

#### Cost of Sales

For the six months ended 30 June 2022, the cost of sales was approximately S\$28.1 million, representing an increase of approximately 5.1% from approximately S\$26.7 million as compared with the corresponding period of 2021. Please refer to the section “Gross Profit and Gross Profit Margin” for the explanation of the increase.



## Gross Profit and Gross Profit Margin

Gross profit decreased from approximately S\$8.8 million for the six months ended 30 June 2021 to approximately S\$6.3 million for the six months ended 30 June 2022. The gross profit margin decreased to 18.3% for the six months ended 30 June 2022 from 24.8% for the six months ended 30 June 2021, which was primarily due to the increase in labour-related expenses and the cessation in receipts of certain one-off government grants from the Singapore government to assist Singapore businesses in coping against the economic uncertainty due to COVID-19. For the six months ended 30 June 2021, the Group has recognised approximately S\$1.6 million of one-off government grants in total (30 June 2022: nil).

## Other Expenses

### *Administrative Expenses*

Administrative expenses increased from approximately S\$3.8 million for the six months ended 30 June 2021 to approximately S\$4.5 million for the six months ended 30 June 2022, primarily due to the higher employee benefit expenses and professional fees incurred for the resumption of trading.

### *Finance Costs*

Finance costs increased from approximately S\$124,000 for the six months ended 30 June 2021 to S\$150,000 for the six months ended 30 June 2022, primarily due to the Group's increased interest expense incurred on its borrowings and lease liabilities.

### *Income Tax Expense*

The income tax expense and effective tax rate for the six months ended 30 June 2022 was approximately S\$563,000 and 30.7% respectively, as compared with S\$628,000 and 12.7% during the corresponding period of 2021. Such increase in effective tax rate was mainly attributable to higher non-deductible expenses and the cessation of receipts of certain one-off government grants that were not subject to corporate income tax.

## Profit after tax for the six months ended 30 June 2022

As a result of the above factors, the net profit of the Group was approximately S\$1.3 million for the six months ended 30 June 2022, a decrease of approximately 70.6% as compared with S\$4.3 million for the six months ended 30 June 2021.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity and Capital Resources

As at 30 June 2022, the current assets of the Group amounted to approximately S\$50.0 million, including cash and cash equivalents of approximately S\$32.4 million and trade and other receivables, deposits and prepayments of approximately S\$17.6 million. Current liabilities of the Group amounted to approximately S\$9.9 million, including trade and other payables of approximately S\$6.4 million and other current tax liabilities of approximately S\$0.4 million. As at 30 June 2022, the current ratio (the current assets to current liabilities ratio) of the Group was 5.0, as compared with 4.1 as at 31 December 2021.

Net debt to equity ratio is calculated by dividing net debt by total equity. Since the amount of cash and cash equivalents exceeded that of bank borrowings, the Group was at a net cash position as at 30 June 2022. Thus, the net debt to equity ratio was not applicable (31 December 2021: N/A).

### Capital Expenditures

Save as disclosed in this report, there were no other significant capital expenditure incurred during the six months ended 30 June 2022.

### Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2022.

### Pledge of Assets

The banking facilities of the Group are secured by the following:

- (i) First legal mortgage over the freehold properties of the Group;
- (ii) Assignment over debtors allowed under trade receivables financing;
- (iii) Debenture incorporating a fixed and floating charge over all assets; and
- (iv) Corporate guarantee provided by the Company.

### Future Plan for Material Investments and Capital Assets

Save as disclosed in this report, the Group did not have plans for material investments and capital assets as at 30 June 2022.

### Significant Investments, Acquisitions and Disposals

Save as disclosed in this report, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year, nor was there any plan authorised by the Board for other material investments or additions of capital assets during the six months ended 30 June 2022.



### Foreign Exchange Risk Management

The functional currency of the Group is SGD. The majority of the Group's revenue and expenditures are denominated in SGD. The Group currently does not have any foreign currency hedging policies. The management will continue to monitor the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

### Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables and deposits, cash and cash equivalents, borrowings, trade and other payables and lease liabilities.

The Group's activities expose it to market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Directors are responsible for setting the objectives and underlying principles of financial risk management for the Group. The management team then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by finance personnel. The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the directors.

### Net debt to equity ratio

Net debt to equity ratio is calculated by dividing net debt by total equity. Since the amount of cash and cash equivalents exceeded that of bank borrowings, the Group was at a net cash position as at 30 June 2022. Thus, the net debt to equity ratio was not applicable (31 December 2021: N/A).

## CORPORATE GOVERNANCE AND OTHER INFORMATION



### Events after the Reporting Period

Up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that has come to the attention of the Directors after the Reporting Period.

### USE OF PROCEEDS FROM THE LISTING

The net proceeds raised by the Company from the Listing are approximately S\$11.8 million (after deduction of the underwriting commissions in respect of the Share Offer and other estimated expenses). The Company has, and will continue to utilise, the net proceeds from the Share Offer in accordance with the purposes set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

Set out below are the details of the allocation of the Net Proceeds, the utilised and unutilised amounts of the Net Proceeds as at 30 June 2022:

	Approximate percentage of total amounts	Actual Net Proceeds S\$'000	Utilised amounts as at 30 June 2022 S\$'000	Unutilised amounts as at 30 June 2022 S\$'000	Estimated completion of utilisation
Acquisition of landscaping company	15.0%	1,774	–	1,774	31 Dec 2023
Purchase of waste disposal equipment	21.3%	2,520	150	2,370	31 Dec 2023
Hiring of waste disposal staff	20.7%	2,446	381	2,065	31 Dec 2023
Cash flow mismatch	20.6%	2,436	2,436	–	N/A
Hiring of sales and marketing staff	1.4%	166	98	68	31 Dec 2023
Hiring of safety officers	2.5%	296	–	296	31 Dec 2023
Purchase of software and systems	2.4%	284	40	244	31 Dec 2023
Leasing of automated machinery and equipment	6.1%	721	155	566	31 Dec 2023
General working capital	10.0%	1,182	1,182	–	N/A
<b>Total</b>	<b>100%</b>	<b>11,825</b>	<b>4,442</b>	<b>7,383</b>	

### EMPLOYEE REMUNERATION AND RELATIONS

As at 30 June 2022, the Group had approximately 1,596 employees (2,475 as at 31 December 2021). The Company's employees (including foreign workers) are remunerated according to their work skills, job scope, responsibilities and performance. Employees are also entitled to a discretionary bonus depending on their respective performances. The duration for which foreign workers are typically employed depends on the period specified in their work permits, and their employment with the Company is subject to renewal based on their performance. The Company also provides housing and medical insurance coverage for their foreign workers as required by the Singapore Ministry of Manpower.



Pursuant to the terms and conditions of the Group's cleaning business license, the Group has in place a progressive wage plan for employees who are Singapore citizens and permanent residents of Singapore that specifies the basic wage payable to each class of cleaners that conforms to the wage levels specified by the Commissioner for Labour. The Group also participates in the mandatory provident fund for local and permanent resident employees in accordance with the Central Provident Fund Act (Chapter 36) of Singapore as amended, supplemented and/or otherwise modified from time to time, and has paid the relevant contributions accordingly.

The Group believes that they maintain a good working relationship with their employees, and the Group has not experienced any material labour disputes during the Reporting Period.

### CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the Shareholders. The Company has adopted the CG Code as its own code of corporate governance practices.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the Reporting Period. The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors.

Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code regarding directors' securities transactions for the six months ended 30 June 2022.

### AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises three members, namely, Mr. Wong Yuk, Mr. Koh How Thim and Mr. Tan Wu Hao, all of whom are independent non-executive Directors. Mr. Wong Yuk is the chairman of the Audit Committee.

The Audit Committee has reviewed the Company's unaudited consolidated interim results for the six months ended 30 June 2022 and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made with no disagreement by the Audit Committee.



## CORPORATE GOVERNANCE AND OTHER INFORMATION

### 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 Reporting Period and up to the date of this report.

### PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules.

### INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES

As at 30 June 2022, the interests and short positions of Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as notified the Company and the Stock Exchange pursuant to the Model Code, are as follows:

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2022, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

#### (i) Long position in the Shares, underlying shares and debentures of the Company

Name of director	Capacity/Nature of Interest	Number of Shares	Approximate percentage of shareholding interest
Mr. Toh Eng Kui	Interest in a controlled corporation <sup>(1)</sup>	1,500,000,000	75%

Note:

<sup>(1)</sup> TEK Assets Management Limited is owned as to 100% by Mr. Toh Eng Kui. Accordingly, Mr. Toh Eng Kui is deemed to be interested in all the Shares held by TEK Assets Management Limited under the SFO.



## (ii) Long position in the Shares, underlying shares and debentures of associated corporations

*EL Holding Co., Ltd.*

Name of director	Capacity/Nature of Interest	Number of Shares	Approximate percentage of shareholding interest
Mr. Hong Rui Sheng*	Beneficial owner	1	0.02%

*Eng Leng (Thailand) Co., Ltd.*

Name of director	Capacity/Nature of Interest	Number of Shares	Approximate percentage of shareholding interest
Mr. Toh Eng Kui	Beneficial owner	250	0.5%
Mr. Hong Rui Sheng*	Beneficial owner	250	0.5%

\* Mr. Hong Rui Sheng, a former executive Director and an authorised representative, resigned with effect from 1 July 2022.

Save as disclosed above and to the best knowledge of the Directors, as at 30 June 2022, none of the Directors or the chief executives of the Company had any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, to the best knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) and entities had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which recorded in the register required to be kept by the Company under section 336 of the SFO:

#### Long position in the Shares, underlying shares and debentures of the Company

Name of shareholder	Capacity/Nature of Interest	Number of Shares	Approximate percentage of shareholding interest
TEK Assets Management Limited	Beneficial owner	1,500,000,000	75%
Ms. Chua Seok Joo	Interest of spouse <sup>(1)</sup>	1,500,000,000	75%

Note:

<sup>(1)</sup> Ms. Chua Seok Joo is the spouse of Mr. Toh Eng Kui and she is thus deemed to be interested in all the Shares held by Mr. Toh Eng Kui under the SFO.

Save as disclosed above and to the best knowledge of the Directors, as at 30 June 2022, no other persons (other than a Director or chief executive of the Company) or entities had any interests or short positions in the Shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which recorded in the register required to be kept by the Company under section 336 of the SFO.

### SHARE OPTION SCHEME

The Company adopted a share option scheme on 8 June 2020 (the “**Share Option Scheme**”). Details of the Scheme are set forth in the section headed “Statutory and General Information – F. Share Option Scheme” in Appendix IV to the Prospectus. No option has been granted since then and during the Reporting Period. Therefore, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme during the Reporting Period.

By Order of the Board  
**Hygieia Group Limited**  
**Toh Eng Kui**  
*Chairman*

Singapore, 31 August 2022

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 June 2022



	Note	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Revenue	3	34,338	35,499
Cost of sales		(28,060)	(26,708)
<b>Gross profit</b>		<b>6,278</b>	<b>8,791</b>
Other income	4	13	95
Other gains/(losses), net	5	149	(2)
Administrative expenses		(4,458)	(3,811)
<b>Operating profit</b>		<b>1,982</b>	<b>5,073</b>
Finance costs	7	(150)	(124)
<b>Profit before income tax</b>		<b>1,832</b>	<b>4,949</b>
Income tax expense	8	(563)	(628)
<b>Profit for the year</b>		<b>1,269</b>	<b>4,321</b>
<b>Other comprehensive income:</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		1	(3)
<b>Other comprehensive income for the year, net of income tax</b>		<b>1</b>	<b>(3)</b>
<b>Total comprehensive income for the year</b>		<b>1,270</b>	<b>4,318</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		1,270	4,328
Non-controlling interest		(1)	(7)
		<b>1,269</b>	<b>4,321</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		1,271	4,325
Non-controlling interest		(1)	(7)
		<b>1,270</b>	<b>4,318</b>
<b>Earnings per share</b>			
Basic and diluted (Singapore cents)	9	0.064	0.22

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022



	Note	30 June 2022 S\$'000 (Unaudited)	31 December 2021 S\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		2,623	2,999
Right-of-use assets		1,501	1,906
		<u>4,124</u>	<u>4,905</u>
<b>Current assets</b>			
Trade and other receivables, deposits and prepayments	11	17,577	20,611
Cash and cash equivalents	12	32,377	31,018
		<u>49,954</u>	<u>51,629</u>
<b>Total assets</b>		<u><u>54,078</u></u>	<u><u>56,534</u></u>
<b>EQUITY</b>			
Share capital	13	3,592	3,592
Reserves		35,376	34,105
		<u>38,968</u>	<u>37,697</u>
<b>Equity attributable to owners of the Company</b>		<u>38,968</u>	<u>37,697</u>
Non-controlling interests		(6)	(5)
<b>Total equity</b>		<u><u>38,962</u></u>	<u><u>37,692</u></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	14	4,739	5,734
Lease liabilities		441	568
		<u>5,180</u>	<u>6,302</u>
<b>Current liabilities</b>			
Trade and other payables	15	6,402	8,521
Borrowings	14	1,935	1,812
Lease liabilities		1,191	1,356
Income tax payable		409	851
		<u>9,937</u>	<u>12,540</u>
<b>Total liabilities</b>		<u><u>15,117</u></u>	<u><u>18,842</u></u>
<b>Total equity and liabilities</b>		<u><u>54,079</u></u>	<u><u>56,534</u></u>
<b>Net current assets</b>		<u><u>40,017</u></u>	<u><u>39,089</u></u>
<b>Total assets less current liabilities</b>		<u><u>44,141</u></u>	<u><u>43,994</u></u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



	Attributable to equity holders of the Company								
	Share capital	Share premium	Capital reserves	Other reserves	Retained profits	Currency translation	Total	Non-controlling interests	Total equity
						reserve			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
<b>Balance at 1 January 2022</b>	3,592	13,173	4,500	(98)	16,522	8	37,697	(5)	37,692
Profit for the period	-	-	-	-	1,270	-	1,270	(1)	1,269
Other comprehensive income for the period	-	-	-	-	-	1	1	-	1
<b>Total comprehensive income for the period</b>	-	-	-	-	1,270	1	1,271	(1)	1,270
<b>Balance at 30 June 2022</b>	<u>3,592</u>	<u>13,173</u>	<u>4,500</u>	<u>(98)</u>	<u>17,792</u>	<u>9</u>	<u>38,968</u>	<u>(6)</u>	<u>38,962</u>

	Attributable to equity holders of the Company								
	Share capital	Share premium	Capital reserves	Other reserves	Retained profits	Currency translation	Total	Non-controlling interests	Total equity
						reserve			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
<b>Balance at 1 January 2021</b>	3,592	13,173	4,500	(98)	12,670	8	33,845	29	33,874
Profit for the period	-	-	-	-	4,328	-	4,328	(7)	4,321
Other comprehensive income for the period	-	-	-	-	-	(3)	(3)	-	(3)
<b>Total comprehensive income for the period</b>	-	-	-	-	4,328	(3)	4,325	(7)	4,318
<b>Balance at 30 June 2021</b>	<u>3,592</u>	<u>13,173</u>	<u>4,500</u>	<u>(98)</u>	<u>16,998</u>	<u>5</u>	<u>38,170</u>	<u>22</u>	<u>38,192</u>

## CONSOLIDATED STATEMENT OF CASH FLOWS



	Six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operations	4,796	7,265
Income tax paid	(1,012)	(602)
Net cash generated from operating activities	3,784	6,663
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(430)	(500)
Interest received	–	15
Proceeds from disposal of financial assets at fair value through profit or loss	–	1,524
Net cash (used in)/from investing activities	(430)	1,039
<b>Cash flows from financing activities</b>		
Interest paid on:		
– Lease liabilities	(42)	(31)
– Other financing arrangement	(108)	(93)
Repayments of bank borrowings	(1,906)	(1,711)
Proceeds from bank borrowings	1,034	3,919
Lease payments for principal portion of lease liabilities	(973)	(1,030)
Net cash (used in)/from financing activities	(1,995)	1,054
<b>Net increase in cash and cash equivalents</b>	<b>1,359</b>	<b>8,756</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>31,018</b>	<b>20,091</b>
Effects of currency translation on cash and cash equivalents	–	(1)
<b>Cash and cash equivalents at end of the period</b>	<b>32,377</b>	<b>28,846</b>



## 1 GENERAL INFORMATION AND BASIS OF PREPARATION

### 1.1 General information

Hygieia Group Limited (the “**Company**”) was incorporated on 28 February 2019 in the Cayman Islands as an exempted Company with limited liability under the Companies Law (as revised) of the Cayman Islands. The address of the Company’s registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its parent is TEK Assets Management Limited which was incorporated in the British Virgin Islands. Its ultimate controlling party is Mr. Toh Eng Kui, who is also the chairman and executive director of the Company.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the provision of cleaning services. The principal place of business in Singapore of the Group is at 6 Tagore Drive, #B1-02, Singapore 787623.

The Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 3 July 2020.

The consolidated financial statements are presented in Singapore dollars (“**S\$**”), which is also the functional currency of the Company and all values are rounded to the nearest thousands (S\$’000), except when otherwise stated.

### 1.2 Basis of preparation

The unaudited condensed interim financial information for the six months ended 30 June 2022 has been prepared in accordance with the International Accounting Standard (“**IAS**”) 34 “Interim financial reporting”. The unaudited condensed interim financial information should be read in conjunction with the annual results announcement for the year ended 31 December 2021.

## 2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSs**”)

### Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2022 for the preparation of the unaudited condensed interim financial information:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRSs 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The application of the amendments to IFRSs in the current year had no material impact on the Group’s financial position and performance for the current period and/or on the disclosures set out in the unaudited condensed financial information. The Group has not applied any new standard, amendment or interpretation that is not effective for the current period.

## NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

### 3 REVENUE AND SEGMENT INFORMATION

The Company's executive directors monitor the operating results of its operating segment for the purpose of making decisions about resource allocation and performance assessment.

The chief operating decision-maker has been identified as the executive directors of the Group. The executive directors consider the segment from a business perspective. The executive directors regard the Group's business as one single operating segment that qualifies as reportable segment under IFRS 8 *Operating Segments* and review the financial information accordingly for the purposes of allocating resources and assessing performance of the operating segment.

#### (a) Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Provision of cleaning services	34,272	35,483
Sales of goods	66	16
	34,338	35,499
Timing of revenue recognition:		
Over time	34,272	35,483
Point in time	66	16
	34,338	35,499

The Group's revenue by geographical location is as follows:

	Six months ended 30 June	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Singapore	33,473	34,812
Thailand	865	687
	34,338	35,499

## NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION



### 3 REVENUE AND SEGMENT INFORMATION – continued

#### (a) Disaggregation of revenue from contracts with customers – continued

Revenue from customers of the six months ended 30 June 2022 and 30 June 2021 contributing over 10% of the Group's revenue is as follows:

	Six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Customer A	4,114	7,898

#### (b) Non-current assets by geographical location

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000
	Singapore	4,069
Thailand	55	55
	<u>4,124</u>	<u>4,905</u>

### 4 OTHER INCOME

	Six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Interest income	–	15
Others	13	80
	<u>13</u>	<u>95</u>

\* Represents amounts less than S\$1,000.

## NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION



### 5 OTHER GAINS/(LOSSES), NET

	Six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Net exchange gain	10	–
Gain/(loss) on disposal of property, plant and equipment	139	(2)
	<u>149</u>	<u>(2)</u>

\* Represents amounts less than S\$1,000.

### 6 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Salaries and other allowances	18,189	19,913
Employer's contribution to defined contribution plan	1,492	1,734
Other employee benefits	213	121
	<u>19,894</u>	<u>21,768</u>

Included in employee benefit expenses are government grants on employment credit that have been netted off against the wages and salaries amounting to S\$1,876,000 for the six months ended 30 June 2022 (30 June 2021: S\$3,330,000).

All of the government grants have been credited against employee benefit expenses included in "cost of sales".

### 7 FINANCE COSTS

	Six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Loan interest	80	70
Interest on lease liabilities	42	31
Interest on hire purchase arrangement	28	23
	<u>150</u>	<u>124</u>



## 8 INCOME TAX EXPENSE

	Six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Current tax:		
– Singapore corporate income tax (“CIT”)	563	628
	<u>563</u>	<u>628</u>

Singapore CIT is calculated at 17% of the estimated assessable profit for the six months ended 30 June 2022 (Six months ended 30 June 2021: 17%).

Thailand income tax is calculated at the 20% of the estimated assessable profit for the six months ended 30 June 2022 (Six months ended 30 June 2021: 20%).

No provision for Thailand income tax has been made as no assessable profit arises in, nor is derived from Thailand for both periods.

## 9 EARNINGS PER SHARE

	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company (S\$'000)	1,270	4,328
Number of shares for the purpose of basic and diluted earnings per share:		
Weighted average number of ordinary shares in issue ('000)	2,000,000	2,000,000
Basic and diluted earnings per share (Singapore cents)	<u>0.064</u>	<u>0.22</u>

Diluted earnings per share for both years were the same as the basic earnings per share as there was no potential ordinary shares in issue for both years.

## 10 DIVIDENDS

No dividend has been paid or declared by the Company since its incorporation.

A final dividend of S\$0.00075 per ordinary share for the year ended 31 December 2021 (2020: S\$0.0015) has been proposed by the Board. Final dividend for both years is subject to shareholders' approval at the forthcoming annual general meeting of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION



### 11 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2022 S\$'000 (Unaudited)	31 December 2021 S\$'000
Trade receivables	12,660	11,095
Unbilled revenue	2,685	7,109
	<hr/>	<hr/>
	15,345	18,204
Allowance for ECL	(170)	(170)
	<hr/>	<hr/>
	15,175	18,034
	<hr/>	<hr/>
Deposits	1,176	1,746
Prepayments	307	269
Government grant receivables	–	–
Other receivables	919	562
	<hr/>	<hr/>
	2,402	2,577
	<hr/>	<hr/>
Total	<b>17,577</b>	<b>20,611</b>



11 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS — *continued*

(a) Trade receivables

The Group generally grants credit terms to its customers ranging from 0–90 days. The ageing analysis of the Group’s trade receivables based on invoice date (net of allowance for ECL) is as follows:

	30 June 2022 S\$’000 (Unaudited)	31 December 2021 S\$’000
0 to 30 days	8,173	4,851
31 to 60 days	1,446	3,592
61 to 90 days	1,485	1,106
91 to 120 days	871	820
Over 120 days	515	556
	<u>12,490</u>	<u>10,925</u>

The Group’s customers comprise mainly (i) commercial, medical centres, residential premises in the private sector, and (ii) Singapore government agencies, schools and residential premises in the public sector. For the six months ended 30 June 2022, the Group recognised allowance for ECL of S\$170,000 (31 December 2021: S\$170,000).

Certain of the Group’s trade receivables at 30 June 2022 and 31 December 2021 were factored to banks on a recourse basis. As the Group had not transferred the significant risks and rewards relating to these receivables, it continued to recognise the full carrying amount of the trade receivables and has recognised the cash received on the transfer as secured accounts financing loans. These financial assets were carried at amortised cost in the Group’s consolidated statements of financial position.

(b) Deposits and other receivables

Included in deposits is an amount of S\$686,000 (31 December 2021: S\$1,321,000) related to security deposit placed with insurance companies to support the issuance of performance bonds to satisfy any liquidated or other damages as may become due to customers of the Group. Other deposits mainly represent rental deposits for workers’ accommodation, utilities and tendering.

(c) Prepayments

Prepayments mainly represent upfront payments of procurement costs for supplies and other consumables for operations and insurance premium paid for cleaning contracts.

## NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION



### 12 CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents are denominated in the following currencies:

	30 June 2022 S\$'000 (Unaudited)	31 December 2021 S\$'000
Cash on hand	159	157
Cash at bank	<u>32,218</u>	<u>30,861</u>
	<u>32,377</u>	<u>31,018</u>

	30 June 2022 S\$'000 (Unaudited)	31 December 2021 S\$'000
S\$	30,446	28,648
Hong Kong Dollar ("HKD")	1,718	2,238
Thai baht	212	131
United States Dollar ("USD")	<u>1</u>	<u>1</u>
	<u>32,377</u>	<u>31,018</u>

### 13 SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000	Amount S\$'000
Ordinary shares of HK\$0.01 each <b>Authorised:</b> As at 31 December 2021 and 30 June 2022 (Unaudited)	<u>10,000,000,000</u>	<u>100,000</u>	<u>20,000</u>
	Number of ordinary shares	Amount HK\$'000	Amount S\$'000
Ordinary shares of HK\$0.01 each <b>Issued and fully paid:</b> As at 31 December 2021 and 30 June 2022 (Unaudited)	<u>2,000,000,000</u>	<u>20,000</u>	<u>3,592</u>



## 14 BORROWINGS

	30 June 2022 S\$'000 (Unaudited)	31 December 2021 S\$'000
<b>Current</b>		
Trade receivables financing (Note (a))	–	1
Term loans (Note (a))	1,750	1,563
Hire purchase loans (Note (b))	185	248
	1,935	1,812
<b>Non-current</b>		
Term loans (Note (a))	4,570	5,437
Hire purchase loans (Note (b))	169	297
	4,739	5,734
Total borrowings	6,674	7,546

## (a) Trade receivables financing and term loans

The table below analyses the maturity profile of the Group's trade receivables financing and term loans based on their scheduled repayment terms:

	30 June 2022 S\$'000 (Unaudited)	31 December 2021 S\$'000
<b>Carrying amounts repayable:</b>		
– Within one year	1,750	1,564
– Between one to two years	1,750	1,760
– Between two to five years	2,820	3,687
	6,320	7,001
	6,320	7,001

Trade receivables financing relates to factoring of approved debts owing by certain customers. It bears an interest at 3% per annum over the bank's prevailing cost of funds ("COF").

As at 30 June 2022, trade receivables financing amounting to S\$nil (31 December 2021: S\$1,000) were secured by the Group's pledged trade receivables.

Term loans are interest-bearing at fixed rates ranged from 2.0% to 2.5% per annum.

## NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

### 14 BORROWINGS — *continued*

#### (a) Trade receivables financing and term loans — *continued*

The above banking facilities are secured by the following:

- (i) First legal mortgage over the freehold properties of the Group;
- (ii) Assignment over debtors allowed under trade receivables financing;
- (iii) Debenture incorporating a fixed and floating charge over all assets; and
- (iv) Corporate guarantee by the Company.

The bank has imposed a requirement of maintaining certain financial ratios as part of the covenant clauses in the loan agreement. Eng Leng has complied with these covenants throughout the reporting period.

#### (b) Hire purchase loans

	30 June 2022 S\$'000 (Unaudited)	31 December 2021 S\$'000
<b>Hire purchase payments due:</b>		
– Within one year	217	300
– More than one year	198	338
Total hire purchase payments	415	638
Less: future finance charges	(61)	(93)
	354	545
Less: non-current portion	(169)	(297)
Current portion	185	248

The Group's certain cleaning equipment, motor vehicles and office equipment are under hire purchase arrangements with financial institutions. The legal titles of these assets are transferred to the Group after payment of all installments by the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION



### 15 TRADE AND OTHER PAYABLES

	30 June 2022 S\$'000 (Unaudited)	31 December 2021 S\$'000
Trade payables	1,636	1,776
Other payables	1,152	1,445
Accrued expenses	1,306	271
Accrued employee benefit expenses	2,308	5,029
	<u>6,402</u>	<u>8,521</u>

The ageing analysis of the Group's trade payables based on invoice dates at 30 June 2022 and 31 December 2021 were as follows:

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000
0 to 30 days	937	900
31 to 60 days	218	436
61 to 90 days	358	261
Over 90 days	123	179
	<u>1,636</u>	<u>1,776</u>

## NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION



### 16 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, to joint control over the party or exercise significant influence over the other party in making financial and operation decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

Name of related party	Relationship with the Group
2k Services Pte Ltd	A company with a family member of a common key management personnel

#### Related party transactions

The following material transactions occurred with related parties:

	Six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Continuing transaction		
— Trade:		
Purchase of subcontracting services from an entity owned by a close family member of a director of an operating entity	<u>174</u>	<u>181</u>



“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company from time to time
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Clean Mark”	the Clean Mark Accreditation Scheme, a scheme developed by, amongst others, NEA that recognises businesses that deliver high cleaning standards through the training of workers, use of equipment to improve work processes and fair employment practices
“Company”	Hygieia Group Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability on 28 February 2019
“Director”	the director(s) of the Company
“Eng Leng”	Eng Leng Contractors Pte Ltd, a private company limited by shares that was incorporated in Singapore on 27 June 1991 and is a wholly-owned subsidiary of the Company
“FM02”	one of the maintenance workheads classified under the CRS (as defined in the Prospectus), where the title of the FM02 workhead is “Housekeeping, Cleansing, Desilting & Conservancy Services” and it refers to the provision of cleaning and housekeeping services for offices, buildings, compounds, industrial and commercial complexes, desilting and cleansing of drains and grass cutting
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRSs”	International Financial Reporting Standards
“ISO 9001:2015”	a quality management system standard that is based on a number of quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continual improvement
“L6”	the highest financial grade for the FM02 workhead under the CRS (as defined in the Prospectus) in Singapore



## DEFINITIONS

“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on 3 July 2020
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“NEA”	the National Environment Agency, a statutory body under the Singapore Ministry of the Environment and Water Resources which is responsible for improving and sustaining a clean and green environment in Singapore
“Prospectus”	the prospectus of the Company dated 12 June 2020
“Reporting Period”	the six months ended 30 June 2022
“Share Offer”	the Public Offer (as defined in the Prospectus) and the Placing (as defined in the Prospectus)
“Shareholders”	holder(s) of Shares
“Shares”	ordinary shares(s) with a nominal value HK\$0.01 each in the issued share capital of the Company
“Singapore”	the Republic of Singapore
“Singapore Government”	the government of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“S\$” or “SGD”	Singapore dollars, the lawful currency of Singapore
“Thailand”	the Kingdom of Thailand
“%”	per cent