

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HYGIEIA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1650)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Hygieia Group Limited (the “**Company**”), together with its subsidiaries (the “**Group**”), is pleased to announce the annual results and the audited annual consolidated financial information of the Group for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022. The results have been reviewed by the Audit Committee (the “**Audit Committee**”) and were approved by the Board on 28 March 2024.

FINANCIAL HIGHLIGHTS

- The audited revenue of the Group for the year ended 31 December 2023 amounted to approximately S\$66.5 million, representing an increase of approximately of S\$3.1 million or 4.9% as compared with the revenue of approximately S\$63.4 million for the year ended 31 December 2022.
- The audited profit after tax of the Group for the year ended 31 December 2023 was approximately S\$0.5 million, which represented an increase of approximately S\$2.1 million or 129.7% as compared to the audited loss after tax of approximately S\$1.6 million for the year ended 31 December 2022.
- Basic and diluted earnings per share was S\$0.0002 for the year ended 31 December 2023 as compared to basic and diluted loss per share of S\$0.0008 for the year ended 31 December 2022.
- The Board has resolved to recommend a final dividend of S\$0.0015 per share for the year ended 31 December 2023.

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	<i>Note</i>	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Revenue	3	66,538	63,425
Cost of sales	9	<u>(57,546)</u>	<u>(54,829)</u>
Gross profit		8,992	8,596
Other income	4	406	121
Other gains, net	5	1	192
Administrative expenses	9	<u>(8,644)</u>	<u>(10,005)</u>
Operating profit/(loss)		755	(1,096)
Finance costs	7	<u>(203)</u>	<u>(275)</u>
Profit/(loss) before income tax		552	(1,371)
Income tax expense	8	<u>(77)</u>	<u>(228)</u>
Profit/(loss) for the year		<u>475</u>	<u>(1,599)</u>
Other comprehensive (loss)/income:			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(1)</u>	<u>4</u>
Other comprehensive (loss)/income for the year, net of income tax		<u>(1)</u>	<u>4</u>
Total comprehensive income/(loss) for the year		<u>474</u>	<u>(1,595)</u>

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Year ended 31 December 2023

	<i>Note</i>	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Profit/(loss) for the year attributable to:			
Owners of the Company		454	(1,604)
Non-controlling interests		<u>21</u>	<u>5</u>
		<u>475</u>	<u>(1,599)</u>
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		453	(1,601)
Non-controlling interests		<u>21</u>	<u>6</u>
		<u>474</u>	<u>(1,595)</u>
Earnings/(loss) per share			
Basic and diluted (<i>Singapore cents</i>)	<i>10</i>	<u>0.02</u>	<u>(0.08)</u>

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 S\$'000	2022 S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,539	2,633
Right-of-use assets		<u>2,064</u>	<u>1,739</u>
		<u>4,603</u>	<u>4,372</u>
Current assets			
Trade and other receivables, deposits and prepayments	12	17,288	14,984
Fixed bank deposits		10,367	10,000
Cash and cash equivalents		<u>12,217</u>	<u>17,515</u>
		<u>39,872</u>	<u>42,499</u>
Total assets		<u><u>44,475</u></u>	<u><u>46,871</u></u>
EQUITY			
Share capital		3,592	3,592
Reserves		<u>26,457</u>	<u>28,004</u>
Equity attributable to owners of the Company		30,049	31,596
Non-controlling interests		<u>45</u>	<u>1</u>
Total equity		<u><u>30,094</u></u>	<u><u>31,597</u></u>

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 31 December 2023*

	<i>Note</i>	2023 S\$'000	2022 <i>S\$'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings		2,063	3,878
Lease liabilities		642	592
		2,705	4,470
Current liabilities			
Trade and other payables	13	8,218	7,577
Borrowings		1,893	1,884
Lease liabilities		1,444	1,168
Income tax payable		121	175
		11,676	10,804
Total liabilities		14,381	15,274
Total equity and liabilities		44,475	46,871
Net current assets		28,196	31,695
Total assets less current liabilities		32,799	36,067

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the disclosure requirements of the Hong Kong Companies Ordinance.

2 APPLICATION OF NEW AND AMENDMENTS TO IFRSs

New and 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 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;
- (ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group disclosed the related deferred tax assets of S\$324,000 and deferred tax liabilities of S\$324,000 as at 1 January 2022 on a gross basis but it has no material impact on the retained profits at the earliest period presented.

New and amendments to IFRSs in issued but not yet effective

The Group has not applied the following new and amendments to IFRSs, that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to IAS 1	Non-current Liabilities with Covenants ²
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ²
Amendments to IAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The directors anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Provision of cleaning services	66,454	63,182
Sales of goods	<u>84</u>	<u>243</u>
	<u>66,538</u>	<u>63,425</u>
Timing of revenue recognition:		
Over time	66,454	63,182
Point in time	<u>84</u>	<u>243</u>
	<u>66,538</u>	<u>63,425</u>

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

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Singapore	58,860	60,292
Thailand	<u>7,678</u>	<u>3,133</u>
	<u>66,538</u>	<u>63,425</u>

Revenue from customers of the years ended 31 December 2023 and 31 December 2022 contributing over 10% of the Group's revenue is as follows:

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Customer A	<u>N/A¹</u>	<u>6,762</u>

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

(b) Non-current assets by geographical location

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Singapore	4,468	4,317
Thailand	<u>135</u>	<u>55</u>
	<u>4,603</u>	<u>4,372</u>

4 OTHER INCOME

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Interest income	366	37
Rental income	10	60
Others	<u>30</u>	<u>24</u>
	<u>406</u>	<u>121</u>

5 OTHER GAINS, NET

	2023	2022
	S\$'000	S\$'000
Net exchange (loss)/gain	(44)	63
Gain on disposal of property, plant and equipment	40	127
Gain on lease termination	5	2
	<u>1</u>	<u>192</u>

6 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2023	2022
	S\$'000	S\$'000
Salaries and other allowances	40,567	34,746
Employer's contribution to defined contribution plan	2,902	2,846
Other employee benefits	689	688
	<u>44,158</u>	<u>38,280</u>

Included in employee benefit expenses are government grants on employment credit and the Jobs Growth Incentive provided by the Singapore government which has been netted off against the wages and salaries amounting to S\$637,000 for the year ended 31 December 2023 (2022: S\$2,949,000).

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

Employee benefits expenses have been included in consolidated statement of profit or loss and other comprehensive income as follows:

	2023	2022
	S\$'000	S\$'000
Cost of sales	38,617	33,483
Administrative expenses	5,541	4,797
	<u>44,158</u>	<u>38,280</u>

7 FINANCE COSTS

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Interest on term loan	104	161
Interest on lease liabilities	68	68
Interest on hire purchase arrangement	<u>31</u>	<u>46</u>
	<u><u>203</u></u>	<u><u>275</u></u>

8 INCOME TAX EXPENSE

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Current tax:		
– Singapore corporate income tax (“CIT”)	122	175
(Over)/under provision in prior years	<u>(45)</u>	<u>53</u>
	<u><u>77</u></u>	<u><u>228</u></u>

Singapore CIT is calculated at 17% of the estimated assessable profit for the year ended 31 December 2023 (2022: 17%).

Thailand income tax is calculated at the 20% of the estimated assessable profit for the year ended 31 December 2023 (2022: 20%).

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

9 EXPENSES BY NATURE

	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Auditor's remuneration	121	243
Employee benefit expenses (including directors' emoluments) (Note 6)	44,158	38,280
Purchase of supplies	2,715	2,382
Subcontractor charges	10,199	12,964
Foreign worker levies and fees	2,839	2,848
Allowance for expected credit loss ("ECL") on trade receivables (reversed)/recognised	(331)	161
Depreciation of property, plant and equipment	947	941
Depreciation of right-of-use assets	1,536	1,635
Legal and professional fees	580	2,312
Repair and maintenance	414	396
Rental of low-value equipment	163	57
Rental of workers' accommodation under short-term leases	247	233
Others	2,602	2,382
Total cost of sales and administrative expenses	<u>66,190</u>	<u>64,834</u>

10 EARNINGS/(LOSS) PER SHARE

	2023	2022
Earnings/(loss) for the purpose of basic and diluted earnings/(loss) per share:		
Profit/(loss) attributable to owners of the Company (<i>S\$'000</i>)	454	(1,604)
Number of shares for the purpose of basic and diluted earnings/ (loss) per share:		
Weighted average number of ordinary shares in issue (<i>'000</i>)	2,000,000	2,000,000
Basic and diluted earnings/(loss) per share (<i>Singapore cents</i>)	<u>0.02</u>	<u>(0.08)</u>

Diluted earnings/(loss) per share for both years were the same as the basic earnings/(loss) per share as there were no potential ordinary shares in issue for both 2023 and 2022.

11 DIVIDENDS

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2020 Final – S\$0.0015 per ordinary share	–	3,000
2021 Final – S\$0.00075 per ordinary share	–	1,500
2022 Final - S\$0.001 per ordinary share	<u>2,000</u>	<u>–</u>
	<u>2,000</u>	<u>4,500</u>

Subsequent to the end of the reporting period, a final dividend of S\$0.0015 per ordinary share for the year ended 31 December 2023 has been proposed by the Board and is subject to shareholders' approval at the forthcoming annual general meeting of the Company.

12 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Trade receivables	14,066	10,656
Unbilled revenue	<u>1,642</u>	<u>3,017</u>
	15,708	13,673
Allowance for ECL	<u>–</u>	<u>(331)</u>
	<u>15,708</u>	<u>13,342</u>
Deposits	701	579
Prepayments	285	335
Other receivables	<u>594</u>	<u>728</u>
	<u>1,580</u>	<u>1,642</u>
Total	<u>17,288</u>	<u>14,984</u>

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:

	2023	2022
	S\$'000	S\$'000
0 to 30 days	7,072	5,493
31 to 60 days	4,535	3,378
61 to 90 days	1,126	643
91 to 120 days	502	235
Over 120 days	831	576
	<u>14,066</u>	<u>10,325</u>

13 TRADE AND OTHER PAYABLES

	2023	2022
	S\$'000	S\$'000
Trade payables	1,782	2,337
Other payables	1,351	1,290
Accrued expenses	691	320
Accrued employee benefit expenses	4,394	3,630
	<u>8,218</u>	<u>7,577</u>

The ageing analysis of the Group's trade payables based on invoice dates at 31 December 2023 and 31 December 2022 were as follows:

	2023	2022
	S\$'000	S\$'000
0 to 30 days	810	1,610
31 to 60 days	542	449
61 to 90 days	275	152
Over 90 days	155	126
	<u>1,782</u>	<u>2,337</u>

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 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, retail outlets 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 27 March 2024, Eng Leng was one of 40 registered contractors holding an L6-graded FM02 workhead among 491 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 Gold award for delivering high cleaning standards.

As at 28 March 2024, the Group had 293 ongoing service contracts, excluding one-off contracts, with outstanding contract sums of approximately S\$78.0 million.

FUTURE PROSPECTS

In 2024, 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. While we expect the Singapore environmental services industry to become increasingly challenging and competitive, we remain committed in enhancing our productivity through investments in technology and training. 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. At the same time, the Group may also assess additional investment prospects that could generate favorable returns for the Shareholders.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2023, the Group’s total revenue was approximately S\$66.5 million, representing an increase of approximately 4.9% from approximately S\$63.4 million as compared with the year ended 2022. This increase was primarily driven by the Group’s operations growth in the Thailand market.

Cost of Sales

For the year ended 31 December 2023, the cost of sales was approximately S\$57.5 million, representing an increase of approximately 5.0% from approximately S\$54.8 million as compared with the year ended 31 December 2022. 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 increased from approximately S\$8.6 million for the year ended 31 December 2022 to approximately S\$9.0 million for the year ended 31 December 2023. The gross profit margin decreased marginally from 13.6% for the year ended 31 December 2022 to 13.5% for the year ended 31 December 2023, which was primarily due to the decrease in receipts of government grants on employment credit and being partially offset by the improved operational efficiency of the Group. For the year ended 31 December 2023, the Group has recognised approximately S\$0.6 million of government grants in total (31 December 2022: S\$2.9 million).

Other Expenses

Administrative Expenses

Administrative expenses decreased from approximately S\$10.0 million for the year ended 31 December 2022 to approximately S\$8.6 million for the year ended 31 December 2023, primarily due to the lower professional fees incurred and being partially offset by the increase in employee benefit expenses.

Finance Costs

Finance costs decreased from approximately S\$275,000 for the year ended 31 December 2022 to S\$203,000 for the year ended 31 December 2023, primarily due to the Group’s decreased interest expense incurred on its borrowings.

Other income

Other income increased from approximately S\$121,000 for the year ended 31 December 2022 to approximately S\$406,000 for the year ended 31 December 2023, primarily due to the higher interest income generated from fixed bank deposits placed for a longer duration in 2023.

Other gains, net

Other gains decreased from S\$192,000 for the year ended 31 December 2022 to approximately S\$1,000 for the year ended 31 December 2023, primarily due to the net exchange loss incurred on transactions denominated in foreign currencies and a lower gain on disposal of property, plant and equipment for the year.

Income Tax Expense

The income tax expense for the year ended 31 December 2023 was approximately S\$77,000 as compared with S\$228,000 during the year ended 31 December 2022. Such decrease was mainly attributable to the lower chargeable income that were subject to corporate income tax during the Reporting Period.

Profit after tax for the year ended 31 December 2023

As a result of the above factors, the net profit of the Group was approximately S\$0.5 million for the year ended 31 December 2023, an increase of approximately 129.7% as compared with the net loss of S\$1.6 million for the year ended 31 December 2022.

Final Dividend

The Board recommends the payment of a final dividend of \$0.0015 per Share for the year ended 31 December 2023 (2022: \$0.001 per Share).

Liquidity and Capital Resources

As at 31 December 2023, the current assets of the Group amounted to approximately S\$39.9 million, including cash and cash equivalents of approximately S\$12.2 million, fixed bank deposits of S\$10.4 million and trade and other receivables, deposits and prepayments of approximately S\$17.3 million. Current liabilities of the Group amounted to approximately S\$11.7 million, including trade and other payables of approximately S\$8.2 million, borrowings of approximately S\$1.9 million, lease liabilities of approximately S\$1.4 million and income tax payable of approximately S\$0.1 million. As at 31 December 2023, the current ratio (the current assets to current liabilities ratio) of the Group was 3.4, as compared with 3.9 as at 31 December 2022.

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 31 December 2023. Thus, the net debt to equity ratio was not applicable (31 December 2022: N/A).

Capital Expenditures

Save as disclosed in this announcement, there were no other significant capital expenditure incurred during the year ended 31 December 2023.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2023.

Pledge of Assets

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

- (i) Assignment over debtors allowed under trade receivables financing;
- (ii) Debenture incorporating a fixed and floating charge over all assets; and
- (iii) Corporate guarantee provided by the Company.

Future Plan for Material Investments and Capital Assets

Save as disclosed in this announcement, the Group did not have plans for material investments and capital assets as at 31 December 2023.

Significant Investments, Acquisitions and Disposals

Save as disclosed in this announcement, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2023.

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.

Events after the Reporting Period

Up to the date of this announcement, 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).

Set out below are the details of the allocation of the Net Proceeds (as revised in the announcement of the Company dated 21 December 2023), the utilised and unutilised amounts of the Net Proceeds as at 31 December 2023:

	Revised allocation of the net proceeds as disclosed in the announcement of the Company dated 21 December 2023 S\$'000	Approximate percentage of the total net proceeds	Utilised amounts as at 31 December 2023 S\$'000	Unutilised amounts as at 31 December 2023 S\$'000	Estimated completion of utilisation
Acquisition of landscaping company	1,774	15.0%	–	1,774	31 Dec 2025
Purchase of waste disposal equipment	605	5.1%	404	201	31 Dec 2025
Hiring of waste disposal staff	627	5.3%	461	166	31 Dec 2025
Cash flow mismatch	6,170	52.2%	4,982	1,188	31 Dec 2024
Hiring of sales and marketing staff	166	1.4%	166	–	N/A
Hiring of safety officers	296	2.5%	21	275	31 Dec 2025
Purchase of software and systems	284	2.4%	114	170	31 Dec 2025
Leasing of automated machinery and equipment	721	6.1%	425	296	31 Dec 2025
General working capital	1,182	10%	1,182	–	N/A
Total	<u>11,825</u>	<u>100%</u>	<u>7,755</u>	<u>4,070</u>	

EMPLOYEE REMUNERATION AND RELATIONS

As at 31 December 2023, the Group had 2,609 employees (1,904 as at 31 December 2022). 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.

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

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 year ended 31 December 2023.

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. Lew Chern Yong, 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 audited consolidated annual results for the year ended 31 December 2023 and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the auditing, internal control and financial reporting matters.

The annual results for the year ended 31 December 2023 have been prepared in accordance with IFRSs.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2023, consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023 and the related notes thereto as set out in this announcement have been agreed by the Company's auditor to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Company's auditor, HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

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 2023.

PUBLIC FLOAT

As at the date of this announcement, 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.

COMPLIANCE ADVISER’S INTERESTS

As informed by the Company’s compliance adviser, Fortune Financial Capital Limited (the “**Compliance Adviser**”), as at 31 December 2023, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 14 May 2019, the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Group, which is required to be notified to the Group pursuant to the Listing Rules.

ANNUAL GENERAL MEETING

The 2024 AGM of the Company will be held on Thursday, 30 May 2024, and the notice of the 2024 AGM will be published and despatched in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2024 AGM, the register of members will be closed from Monday, 27 May 2024 to Thursday, 30 May 2024, both dates inclusive, during which period no transfer of shares will be registered. To be eligible to attend and vote at the 2024 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Friday, 24 May 2024.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.hygieiagroup.com/>). The annual report for the year ended 31 December 2023 containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

DEFINITIONS

“2024 AGM”	the annual general meeting of the Company to be held in Singapore on Thursday, 30 May 2024
“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 C1 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
“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 C3 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 year ended 31 December 2023
“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

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

Singapore, 28 March 2024

As at the date of this announcement, the executive Directors are Mr. Toh Eng Kui, Mr. Peh Poon Chew and Ms. Toh Lek Siew, the independent non-executive Directors are Mr. Koh How Tim, Mr. Lew Chern Yong and Mr. Wong Yuk.