

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 2022

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 2022, together with the comparative figures for the year ended 31 December 2021. The results have been reviewed by the Audit Committee (the “**Audit Committee**”) and were approved by the Board on 30 March 2023.

FINANCIAL HIGHLIGHTS

- The audited revenue of the Group for the year ended 31 December 2022 amounted to approximately S\$63.4 million, representing a decrease of approximately of S\$8.2 million or 11.4% as compared with the revenue of approximately S\$71.6 million for the year ended 31 December 2021.
- The audited loss after tax of the Group for the year ended 31 December 2022 was approximately S\$1.6 million, which represented a decrease of approximately S\$6.7 million or 131.3% as compared to the audited profit after tax of approximately S\$5.1 million for the year ended 31 December 2021.
- Basic and diluted loss per share was S\$0.0008 for the year ended 31 December 2022 as compared to basic and diluted earnings per share of S\$0.0026 for the year ended 31 December 2021.
- The Board has proposed to pay a final dividend of S\$0.001 per share for the year ended 31 December 2022.

**AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

Year ended 31 December 2022

	<i>Note</i>	2022 S\$'000	2021 <i>S\$'000</i>
Revenue	3	63,425	71,605
Cost of sales	9	<u>(54,829)</u>	<u>(57,155)</u>
Gross profit		8,596	14,450
Other income	4	121	2
Other gains, net	5	192	209
Administrative expenses	9	<u>(10,005)</u>	<u>(8,514)</u>
Operating (loss)/profit		(1,096)	6,147
Finance costs	7	<u>(275)</u>	<u>(267)</u>
(Loss)/profit before income tax		(1,371)	5,880
Income tax expense	8	<u>(228)</u>	<u>(774)</u>
(Loss)/profit for the year		<u>(1,599)</u>	<u>5,106</u>
Other comprehensive income:			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>4</u>	<u>2</u>
Other comprehensive income for the year, net of income tax		<u>4</u>	<u>2</u>
Total comprehensive (loss)/income for the year		<u>(1,595)</u>	<u>5,108</u>

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

Year ended 31 December 2022

	<i>Note</i>	2022 S\$'000	2021 <i>S\$'000</i>
(Loss)/profit for the year attributable to:			
Owners of the Company		(1,604)	5,145
Non-controlling interests		<u>5</u>	<u>(39)</u>
		<u>(1,599)</u>	<u>5,106</u>
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(1,601)	5,146
Non-controlling interests		<u>6</u>	<u>(38)</u>
		<u>(1,595)</u>	<u>5,108</u>
(Loss)/earnings per share			
Basic and diluted (Singapore cents)	<i>10</i>	<u>(0.08)</u>	<u>0.26</u>

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 S\$'000	2021 S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,633	2,999
Right-of-use assets		<u>1,739</u>	<u>1,906</u>
		<u>4,372</u>	<u>4,905</u>
Current assets			
Trade and other receivables, deposits and prepayments	12	14,984	20,611
Fixed bank deposits		10,000	—
Cash and cash equivalents		<u>17,515</u>	<u>31,018</u>
		<u>42,499</u>	<u>51,629</u>
Total assets		<u><u>46,871</u></u>	<u><u>56,534</u></u>
EQUITY			
Share capital		3,592	3,592
Reserves		<u>28,004</u>	<u>34,105</u>
Equity attributable to owners of the Company		31,596	37,697
Non-controlling interests		<u>1</u>	<u>(5)</u>
Total equity		<u><u>31,597</u></u>	<u><u>37,692</u></u>

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 31 December 2022*

	<i>Note</i>	2022 S\$'000	2021 <i>S\$'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings		3,878	5,734
Lease liabilities		592	568
		4,470	6,302
Current liabilities			
Trade and other payables	<i>13</i>	7,577	8,521
Borrowings		1,884	1,812
Lease liabilities		1,168	1,356
Income tax payables		175	851
		10,804	12,540
Total liabilities		15,274	18,842
Total equity and liabilities		46,871	56,534
Net current assets		31,695	39,089
Total assets less current liabilities		36,067	43,994

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

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 consolidated financial statements:

Amendment to IFRS 3	Reference to the Conceptual Framework
Amendments to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020

In addition, the Group applied the agenda decisions of IFRS Interpretations Committee (the “**Committee**”) of the IASB.

The application of the amendments to IFRSs and the Committee’s agenda decisions 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.

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:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
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 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to IAS 8	Definition of Accounting Estimates ¹
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

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

³ Effective for annual periods beginning on or after a date to be determined.

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**

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Provision of cleaning services	63,182	71,580
Sales of goods	243	25
	<u>63,425</u>	<u>71,605</u>
Timing of revenue recognition:		
Over time	63,182	71,580
Point in time	243	25
	<u>63,425</u>	<u>71,605</u>

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

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Singapore	60,292	70,347
Thailand	3,133	1,258
	<u>63,425</u>	<u>71,605</u>

Revenue from customers of the years ended 31 December 2022 and 31 December 2021 contributing over 10% of the Group's revenue is as follows:

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Customer A	N/A ¹	16,942
Customer B	6,762	N/A ¹
	<u>6,762</u>	<u>16,942</u>

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

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

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Singapore	4,317	4,850
Thailand	55	55
	<u>4,372</u>	<u>4,905</u>

4 OTHER INCOME

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Interest income	37	*
Rental income	60	—
Others	24	2
	<u>121</u>	<u>2</u>

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

5 OTHER GAINS, NET

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Net exchange gain/(loss)	63	(25)
Gain on disposal of financial assets at fair value through profit or loss	—	228
Gain on disposal of property, plant and equipment	127	8
Gain on lease termination	2	—
Loss on written off of property, plant and equipment	—	(2)
	<u>192</u>	<u>209</u>

6 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Salaries and other allowances	34,746	43,231
Employer's contribution to defined contribution plan	2,846	3,607
Other employee benefits	688	703
	<u>38,280</u>	<u>47,541</u>

Included in employee benefit expenses are government grants on employment credit and the Job Support Scheme provided by the Singapore government which has been netted off against the wages and salaries amounting to S\$2,949,000 for the year ended 31 December 2022 (2021: S\$4,788,000). The grant income related to Job Support Scheme is recognised on a systematic basis over the estimated period in which the Group recognises the related salary costs.

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:

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Cost of sales	33,483	43,078
Administrative expenses	4,797	4,463
	<u>38,280</u>	<u>47,541</u>

7 FINANCE COSTS

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Loan interest	161	160
Interest on lease liabilities	68	61
Interest on hire purchase arrangement	46	46
	<u>275</u>	<u>267</u>

8 INCOME TAX EXPENSE

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Current tax:		
– Singapore corporate income tax (“CIT”)	175	835
Under/(over) provision in prior years	53	(61)
	<u>228</u>	<u>774</u>

Singapore CIT is calculated at 17% of the estimated assessable profit for the year ended 31 December 2022 (2021: 17%).

Thailand income tax is calculated at the 20% of the estimated assessable profit for the year ended 31 December 2022 (2021: 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

	2022	2021
	<i>S\$'000</i>	<i>S\$'000</i>
Auditor's remuneration	243	560
Employee benefit expenses (including directors' emoluments) (<i>Note 6</i>)	38,280	47,541
Purchase of supplies	2,382	1,883
Subcontractor charges	12,964	5,307
Foreign worker levies and fees	2,848	3,540
Allowance for expected credit loss ("ECL") on trade receivables recognised/(reversed)	161	(275)
Depreciation of property, plant and equipment	941	1,156
Depreciation of right-of-use assets	1,635	1,713
Legal and professional fees	2,312	1,118
Repair and maintenance	396	391
Rental of low-value equipment	57	60
Rental of workers' accommodation under short-term leases	233	375
Others	2,382	2,300
	<u>64,834</u>	<u>65,669</u>
Total cost of sales and administrative expense	<u>64,834</u>	<u>65,669</u>

10 (LOSS)/EARNINGS PER SHARE

	2022	2021
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share:		
(Loss)/profit attributable to owners of the Company (<i>S\$'000</i>)	(1,604)	5,145
Number of shares for the purpose of basic and diluted (loss)/earnings per share:		
Weighted average number of ordinary shares in issue (<i>'000</i>)	2,000,000	2,000,000
Basic and diluted (loss)/earnings per share (Singapore cents)	<u>(0.08)</u>	<u>0.26</u>

Diluted (loss)/earnings per share for both years were the same as the basic (loss)/earnings per share as there was no potential ordinary shares in issue for both 2022 and 2021.

11 DIVIDENDS

	2022 <i>S\$'000</i>	2021 <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	–
	<u>4,500</u>	<u>–</u>

Subsequent to the end of the reporting period, a final dividend of S\$0.001 per ordinary share for the year ended 31 December 2022 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

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Trade receivables	10,656	11,095
Unbilled revenue	3,017	7,109
	<u>13,673</u>	<u>18,204</u>
Allowance for ECL	(331)	(170)
	<u>13,342</u>	<u>18,034</u>
Deposits	579	1,746
Prepayments	335	269
Other receivables	728	562
	<u>1,642</u>	<u>2,577</u>
Total	<u>14,984</u>	<u>20,611</u>

(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:

	2022 <i>S\$’000</i>	2021 <i>S\$’000</i>
0 to 30 days	5,493	4,851
31 to 60 days	3,378	3,592
61 to 90 days	643	1,106
91 to 120 days	235	820
Over 120 days	576	556
	<u>10,325</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 year ended 31 December 2022, the Group recognised allowance for ECL of S\$331,000 (2021: S\$170,000).

Certain of the Group’s trade receivables at 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

At 31 December 2021, included in deposits is an amount of 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 at 31 December 2022 and 31 December 2021 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.

13 TRADE AND OTHER PAYABLES

	2022	2021
	<i>S\$'000</i>	<i>S\$'000</i>
Trade payables	2,337	1,776
Other payables	1,290	1,445
Accrued expenses	320	271
Accrued employee benefit expenses	3,630	5,029
	<u>7,577</u>	<u>8,521</u>

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

	2022	2021
	<i>S\$'000</i>	<i>S\$'000</i>
0 to 30 days	1,610	900
31 to 60 days	449	436
61 to 90 days	152	261
Over 90 days	126	179
	<u>2,337</u>	<u>1,776</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 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 29 March 2023, Eng Leng was one of 39 registered contractors holding an L6-graded FM02 workhead among 488 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 30 March 2023, the Group has 305 ongoing service contracts, excluding one-off contracts, with outstanding contract sums of approximately S\$69.5 million.

FUTURE PROSPECTS

In 2023, 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.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2022, the Group’s total revenue was approximately S\$63.4 million, representing a decrease of approximately 11.4% from approximately S\$71.6 million as compared with the year ended 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 year ended 31 December 2022, the cost of sales was approximately S\$54.8 million, representing a decrease of approximately 4.1% from approximately S\$57.2 million as compared with the year ended 31 December 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\$14.5 million for the year ended 31 December 2021 to approximately S\$8.6 million for the year ended 31 December 2022. The gross profit margin decreased to 13.6% for the year ended 31 December 2022 from 20.2% for the year ended 31 December 2021, which was primarily due to an increase in labour related expenses and 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 year ended 31 December 2022, the Group has recognised approximately S\$2.9 million of government grants in total (31 December 2021: S\$4.8 million).

Other Expenses

Administrative Expenses

Administrative expenses increased from approximately S\$8.5 million for the year ended 31 December 2021 to approximately S\$10.0 million for the year ended 31 December 2022, primarily due to the higher employee benefit expenses and professional fees incurred for the resumption of trading.

Finance Costs

Finance costs increased marginally from approximately S\$267,000 for the year ended 31 December 2021 to S\$275,000 for the year ended 31 December 2022, primarily due to the Group’s increased interest expense incurred on its borrowings and lease liabilities.

Income Tax Expense

The income tax expense for the year ended 31 December 2022 was approximately S\$228,000 as compared with S\$774,000 during the year ended 31 December 2021. Such decrease was mainly attributable to the lower chargeable income that were subject to corporate income tax during the Reporting Period.

Loss after tax for the year ended 31 December 2022

As a result of the above factors, the net loss of the Group was approximately S\$1.6 million for the year ended 31 December 2022, a decrease of approximately 131.3% as compared with the net profit of S\$5.1 million for the year ended 31 December 2021.

Final Dividend

The Board recommends the payment of a final dividend of \$0.001 per share for the year ended 31 December 2022 (2021: \$0.00075 per share).

Liquidity and Capital Resources

As at 31 December 2022, the current assets of the Group amounted to approximately S\$42.5 million, including cash and cash equivalents of approximately S\$17.5 million, fixed bank deposits of S\$10.0 million and trade and other receivables, deposits and prepayments of approximately S\$15.0 million. Current liabilities of the Group amounted to approximately S\$10.8 million, including trade and other payables of approximately S\$7.6 million, borrowings of approximately S\$1.9 million, lease liabilities of approximately S\$1.1 million and income tax payable of approximately S\$0.2. As at 31 December 2022, the current ratio (the current assets to current liabilities ratio) of the Group was 3.9, 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 31 December 2022. Thus, the net debt to equity ratio was not applicable (31 December 2021: N/A).

Capital Expenditures

Save as disclosed in this announcement, there were no other significant capital expenditure incurred during the year ended 31 December 2022.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2022.

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 2022.

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, nor was there any plan authorised by the Board for other material investments or additions of capital assets during the year ended 31 December 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.

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). 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 31 December 2022:

	Revised allocation of the net proceeds as disclosed in the announcement of the Company dated 28 December 2022 S\$'000	Approximate percentage of the total net proceeds	Utilised amounts as at 31 December 2022 S\$'000	Unutilised amounts as at 31 December 2022 S\$'000	Estimated completion of utilisation
Acquisition of landscaping company	1,774	15.0%	–	1,774	31 Dec 2024
Purchase of waste disposal equipment	1,425	12.1%	150	1,275	31 Dec 2024
Hiring of waste disposal staff	1,685	14.2%	426	1,259	31 Dec 2024
Cash flow mismatch	4,292	36.3%	2,436	1,856	31 Dec 2024
Hiring of sales and marketing staff	166	1.4%	157	9	31 Dec 2023
Hiring of safety officers	296	2.5%	–	296	31 Dec 2024
Purchase of software and systems	284	2.4%	40	244	31 Dec 2024
Leasing of automated machinery and equipment	721	6.1%	186	535	31 Dec 2024
General working capital	1,182	10%	1,182	–	N/A
Total	11,825	100%	4,577	7,248	

EMPLOYEE REMUNERATION AND RELATIONS

As at 31 December 2022, the Group had approximately 1,904 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.

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 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 audited consolidated annual results for the year ended 31 December 2022 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 2022 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 2022, consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022 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 2022.

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 2022, 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 2023 AGM of the Company will be held on Thursday, 1 June 2023, and the notice of the 2023 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 2023 AGM, the register of members will be closed from Monday, 29 May 2023 to Thursday, 1 June 2023, both dates inclusive, during which period no transfer of shares will be registered. To be eligible to attend and vote at the 2023 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 Thursday, 25 May 2023.

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 2022 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

DEFINITIONS

“2023 AGM”	the annual general meeting of the Company to be held in Singapore on Thursday, 1 June 2023
“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 Part 2 of 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
“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 year ended 31 December 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

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

Singapore, 30 March 2023

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 Thim, Mr. Tan Wu Hao and Mr. Wong Yuk.