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## **HYGIEIA GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1650)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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 interim results and the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2024, together with the comparative figures for the six months ended 30 June 2023. The results have been reviewed by the Audit Committee (the “**Audit Committee**”) and were approved by the Board on 29 August 2024.

#### **FINANCIAL HIGHLIGHTS**

- The unaudited revenue of the Group for the six months ended 30 June 2024 amounted to approximately S\$37.0 million, representing an increase of approximately of S\$5.9 million or 18.8% as compared with the revenue of approximately S\$31.1 million for the six months ended 30 June 2023.
- The unaudited profit after tax of the Group for the six months ended 30 June 2024 was approximately S\$1.2 million, which represented an increase of approximately S\$1.1 million as compared to the unaudited profit after tax of approximately S\$92,000 for the six months ended 30 June 2023.
- Basic and diluted earnings per share was 0.055 Singapore cents for the six months ended 30 June 2024 as compared to basic and diluted earnings per share of 0.0038 Singapore cents for the six months ended 30 June 2023.
- No interim dividend was declared by the Board for the six months ended 30 June 2024.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Six months ended 30 June 2024*

	<i>Note</i>	<b>2024</b> <i>S\$'000</i> <b>(Unaudited)</b>	2023 <i>S\$'000</i> <b>(Unaudited)</b>
<b>Revenue</b>	3	<b>36,982</b>	31,120
Cost of sales		<u><b>(30,908)</b></u>	<u>(27,057)</u>
<b>Gross profit</b>		<b>6,074</b>	4,063
Other income	4	<b>95</b>	183
Other (losses)/gains, net	5	<b>(6)</b>	32
Administrative expenses		<u><b>(4,609)</b></u>	<u>(4,016)</u>
<b>Operating profit</b>		<b>1,554</b>	262
Finance costs	7	<u><b>(97)</b></u>	<u>(109)</u>
<b>Profit before income tax</b>		<b>1,457</b>	153
Income tax expense	8	<u><b>(307)</b></u>	<u>(61)</u>
<b>Profit for the period</b>		<u><b>1,150</b></u>	<u>92</u>
<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		<u><b>(1)</b></u>	<u>15</u>
<b>Other comprehensive income for the period, net of income tax</b>		<u><b>(1)</b></u>	<u>15</u>
<b>Total comprehensive income for the period</b>		<u><b>1,149</b></u>	<u>107</u>

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

*Six months ended 30 June 2024*

	<i>Note</i>	<b>2024</b> <i>S\$'000</i> <b>(Unaudited)</b>	2023 <i>S\$'000</i> (Unaudited)
<b>Profit for the period attributable to:</b>			
Owners of the Company		<b>1,092</b>	76
Non-controlling interest		<b>58</b>	16
		<u><b>1,150</b></u>	<u>92</u>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		<b>1,091</b>	92
Non-controlling interest		<b>58</b>	15
		<u><b>1,149</b></u>	<u>107</u>
<b>Earnings per share</b>			
Basic and diluted (Singapore cents)	9	<u><b>0.055</b></u>	<u>0.0038</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		<b>30 June</b>	31 December
		<b>2024</b>	2023
	<i>Note</i>	<i>S\$'000</i>	<i>S\$'000</i>
		<b>(Unaudited)</b>	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>2,613</b>	2,539
Right-of-use assets		<b>1,988</b>	2,064
		<b>4,601</b>	4,603
<b>Current assets</b>			
Trade and other receivables, deposits and prepayments	<i>11</i>	<b>21,720</b>	17,288
Fixed bank deposits		<b>7,312</b>	10,367
Cash and cash equivalents		<b>7,861</b>	12,217
		<b>36,893</b>	39,872
<b>Total assets</b>		<b>41,494</b>	44,475
<b>EQUITY</b>			
Share capital		<b>3,592</b>	3,592
Reserves		<b>24,548</b>	26,457
<b>Equity attributable to owners of the Company</b>		<b>28,140</b>	30,049
Non-controlling interests		<b>103</b>	45
<b>Total equity</b>		<b>28,243</b>	30,094

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2024

		<b>30 June</b>	31 December
		<b>2024</b>	2023
	<i>Note</i>	<i>S\$'000</i>	<i>S\$'000</i>
		<b>(Unaudited)</b>	
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		<b>1,299</b>	2,063
Lease liabilities		<b>695</b>	642
		<b>1,994</b>	2,705
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>7,419</b>	8,218
Borrowings		<b>2,227</b>	1,893
Lease liabilities		<b>1,298</b>	1,444
Income tax payable		<b>313</b>	121
		<b>11,257</b>	11,676
<b>Total liabilities</b>		<b>13,251</b>	14,381
<b>Total equity and liabilities</b>		<b>41,494</b>	44,475
<b>Net current assets</b>		<b>25,636</b>	28,196
<b>Total assets less current liabilities</b>		<b>30,237</b>	32,799

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								
						Currency		Non-	
	Share capital S\$'000 (Unaudited)	Share premium S\$'000 (Unaudited)	Capital reserves S\$'000 (Unaudited)	Other reserves S\$'000 (Unaudited)	Retained profits S\$'000 (Unaudited)	translation reserve S\$'000 (Unaudited)	Total S\$'000 (Unaudited)	controlling interests S\$'000 (Unaudited)	Total equity S\$'000 (Unaudited)
<i>Note</i>									
<b>Balance at</b>									
1 January 2024	3,592	13,173	4,500	(98)	8,872	10	30,049	45	30,094
Profit for the period	-	-	-	-	1,092	-	1,092	58	1,150
Other comprehensive income for the period	-	-	-	-	-	(1)	(1)	-	(1)
<b>Total comprehensive income for the period</b>	-	-	-	-	1,092	(1)	1,091	58	1,149
Dividend paid	-	-	-	-	(3,000)	-	(3,000)	-	(3,000)
<b>Balance at</b>									
30 June 2024	<u>3,592</u>	<u>13,173</u>	<u>4,500</u>	<u>(98)</u>	<u>6,964</u>	<u>9</u>	<u>28,140</u>	<u>103</u>	<u>28,243</u>
	Attributable to equity holders of the Company								
						Currency		Non-	
	Share capital S\$'000 (Unaudited)	Share premium S\$'000 (Unaudited)	Capital reserves S\$'000 (Unaudited)	Other reserves S\$'000 (Unaudited)	Retained profits S\$'000 (Unaudited)	translation reserve S\$'000 (Unaudited)	Total S\$'000 (Unaudited)	controlling interests S\$'000 (Unaudited)	Total equity S\$'000 (Unaudited)
<i>Note</i>									
<b>Balance at</b>									
1 January 2023	3,592	13,173	4,500	(98)	10,418	11	31,596	1	31,597
Profit for the period	-	-	-	-	76	-	76	16	92
Other comprehensive income for the period	-	-	-	-	-	16	16	(1)	15
<b>Total comprehensive income for the period</b>	-	-	-	-	76	16	92	15	107
Dividend paid	-	-	-	-	(2,000)	-	(2,000)	-	(2,000)
<b>Balance at</b>									
30 June 2023	<u>3,592</u>	<u>13,173</u>	<u>4,500</u>	<u>(98)</u>	<u>8,494</u>	<u>27</u>	<u>29,688</u>	<u>16</u>	<u>29,704</u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<i>S\$'000</i>	<i>S\$'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>		
Cash used in operations	(2,467)	(1,723)
Income tax paid	(34)	(95)
	<hr/>	<hr/>
Net cash used in operating activities	<b>(2,501)</b>	(1,818)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(490)	(442)
Interest received	90	183
Placement of fixed deposit	(49)	–
Withdrawal of fixed deposit	3,155	–
Proceeds from disposal of property plant and equipment	1	–
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	<b>2,707</b>	(259)
<b>Cash flows from financing activities</b>		
Interest paid on:		
– Lease liabilities	(45)	(37)
– Other financing arrangement	(52)	(72)
Repayments of bank borrowings	(909)	(871)
Proceeds from bank borrowings	530	–
Lease payments for principal portion of lease liabilities	(1,085)	(940)
Dividends paid	(3,000)	(2,000)
	<hr/>	<hr/>
Net cash used in financing activities	<b>(4,561)</b>	(3,920)
<b>Net decrease in cash and cash equivalents</b>	<b>(4,355)</b>	(5,997)
	<hr/>	<hr/>
<b>Cash and cash equivalents at beginning of the period</b>	<b>12,217</b>	17,515
Effects of currency translation on cash and cash equivalents	(1)	1
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period</b>	<b>7,861</b>	11,519
	<hr/>	<hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

## 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 2024 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 2023.

## 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 2024 for the preparation of the unaudited condensed interim financial information:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements



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.

### 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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Provision of cleaning services	<b>36,940</b>	31,078
Sales of goods	<b>42</b>	42
	<b>36,982</b>	<b>31,120</b>
Timing of revenue recognition:		
Over time	<b>36,940</b>	31,078
Point in time	<b>42</b>	42
	<b>36,982</b>	<b>31,120</b>

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Singapore	<b>32,036</b>	27,597
Thailand	<b>4,946</b>	3,523
	<b>36,982</b>	<b>31,120</b>

No customer contributed to over 10% of the Group's revenue for the six months ended 30 June 2024 and 30 June 2023.

(b) Non-current assets by geographical location

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000
Singapore	4,450	4,468
Thailand	151	135
	<u>4,601</u>	<u>4,603</u>
<b>4 OTHER INCOME</b>		
	<b>Six months ended 30 June</b>	
	2024	2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Interest income	90	183
Others	5	–
	<u>95</u>	<u>183</u>
<b>5 OTHER (LOSSES)/GAINS, NET</b>		
	<b>Six months ended 30 June</b>	
	2024	2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Net exchange (loss)/gain	(12)	3
Gain on disposal of property, plant and equipment	6	29
	<u>(6)</u>	<u>32</u>

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

	Six months ended 30 June	
	2024	2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Salaries and other allowances	23,269	18,903
Employer's contribution to defined contribution plan	1,664	1,269
Other employee benefits	108	229
	<u>25,041</u>	<u>20,401</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\$778,000 for the six months ended 30 June 2024 (30 June 2023: S\$538,000).

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	
	2024	2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Loan interest	38	57
Interest on lease liabilities	45	37
Interest on hire purchase arrangement	14	15
	<u>97</u>	<u>109</u>

## 8 INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Current tax		
– Singapore corporate income tax ("CIT")	307	61
	<u>307</u>	<u>61</u>

Singapore CIT is calculated at 17% of the estimated assessable profit for the six months ended 30 June 2024 (Six months ended 30 June 2023: 17%).

Thailand income tax is calculated at the 20% of the estimated assessable profit for the six months ended 30 June 2024 (Six months ended 30 June 2023: 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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company (S\$'000)	<b>1,092</b>	76
Number of shares for the purpose of basic and diluted earnings per share:		
Weighted average number of ordinary shares in issue ('000)	<b>2,000,000</b>	2,000,000
Basic and diluted earnings per share ( <i>Singapore cents</i> )	<b><u>0.055</u></b>	<u>0.0038</u>

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

## 10 DIVIDENDS

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>S\$'000</b>	S\$'000
	<b>(Unaudited)</b>	(Unaudited)
Dividends for ordinary shareholders of the Company recognised as distribution during the period:		
2022 Final – S\$0.001 per ordinary share	–	2,000
2023 Final – S\$0.0015 per ordinary share	<b><u>3,000</u></b>	<u>–</u>
	<b><u>3,000</u></b>	<u>2,000</u>

No interim dividend is declared by the Board for the six months ended 30 June 2024.

## 11 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>30 June 2024 S\$'000 (Unaudited)</b>	31 December 2023 S\$'000
Trade receivables	16,116	14,066
Unbilled revenue	<u>3,760</u>	<u>1,642</u>
	<b>19,876</b>	15,708
Allowance for ECL	<u>–</u>	<u>–</u>
	<b>19,876</b>	15,708
Deposits	658	701
Prepayments	743	285
Other receivables	<u>443</u>	<u>594</u>
	<b>1,844</b>	1,580
Total	<b><u>21,720</u></b>	<b><u>17,288</u></b>

### (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:

	<b>30 June 2024 S\$'000 (Unaudited)</b>	31 December 2023 S\$'000
0 to 30 days	10,573	7,072
31 to 60 days	847	4,535
61 to 90 days	1,832	1,126
91 to 120 days	1,033	502
Over 120 days	<u>1,831</u>	<u>831</u>
	<b><u>16,116</u></b>	<b><u>14,066</u></b>

The Group's customers comprise mainly (i) commercial, residential and industrial 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 2024, no allowance for ECL was recognised (31 December 2023: S\$nil).

**(b) Deposits and other receivables**

Other deposits at 30 June 2024 and 31 December 2023 mainly represent rental deposits for workers' accommodation and equipment, 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.

**12 TRADE AND OTHER PAYABLES**

	<b>30 June 2024 S\$'000 (Unaudited)</b>	31 December 2023 S\$'000
Trade payables	1,449	1,782
Other payables	1,440	1,351
Accrued expenses	557	691
Accrued employee benefit expenses	3,973	4,394
	<u>7,419</u>	<u>8,218</u>

The ageing analysis of the Group's trade payables based on invoice dates at 30 June 2024 and 31 December 2023 were as follows:

	<b>As at 30 June 2024 S\$'000 (Unaudited)</b>	As at 31 December 2023 S\$'000
0 to 30 days	948	810
31 to 60 days	274	542
61 to 90 days	173	275
Over 90 days	54	155
	<u>1,449</u>	<u>1,782</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 30 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 28 August 2024, Eng Leng was one of 40 registered contractors holding an L6-graded FM02 workhead among 508 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.

In line with the Singapore Government’s continued efforts to boost workforce productivity and competencies, the Group has been deploying digital solutions to enhance task efficiency and facilitate better decision-making. As cleaning contracts shift from headcount-based to outcome-based models, these digital solutions will help the Group to optimise performance and improve customer satisfaction. For the six months ended 30 June 2024, the Group had achieved a 18.8% increase in revenue as compared to the corresponding period of 2023, primarily due to new sizeable projects awarded in Singapore, as well as the organic growth of the Group’s environmental services business in Thailand.

As at 29 August 2024, the Group had 315 ongoing service contracts, excluding one-off contracts, with outstanding contract sums of approximately S\$81.4 million.

## **FUTURE PROSPECTS**

In the second half of 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 it is expected that the Singapore environmental services industry will remain increasingly challenging and competitive, the Group is committed in enhancing its 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 six months ended 30 June 2024, the Group's total revenue was approximately S\$37.0 million, representing an increase of approximately 18.8% from approximately S\$31.1 million for the corresponding period of 2023. This growth was primarily due to new sizeable projects awarded in Singapore, as well as the organic growth of the Group's environmental services business in Thailand.

### **Cost of Sales**

For the six months ended 30 June 2024, the cost of sales was approximately S\$30.9 million, representing an increase of approximately 14.2% from approximately S\$27.1 million for the corresponding period of 2023. 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\$4.1 million for the six months ended 30 June 2023 to approximately S\$6.1 million for the six months ended 30 June 2024. The gross profit margin improved from 13.1% for the six months ended 30 June 2023 to 16.4% for the six months ended 30 June 2024, which was primarily due to the decrease in labour-related expenses and the increase in receipts of government grants on employment credit from the Singapore Government. For the six months ended 30 June 2024, the Group has recognised approximately S\$0.8 million of government grants in total (30 June 2023: S\$0.5 million).



## **Administrative Expenses**

Administrative expenses increased from approximately S\$4.0 million for the six months ended 30 June 2023 to approximately S\$4.6 million for the six months ended 30 June 2024, primarily due to the increase in employee benefit expenses and professional fees.

## **Finance Costs**

Finance costs decreased from approximately S\$109,000 for the six months ended 30 June 2023 to S\$96,000 for the six months ended 30 June 2024, primarily due to the Group's decreased interest expense incurred on its borrowings.

## **Other Losses**

Other losses for the six months ended 30 June 2024 was approximately \$6,000 and was primarily represented by the net exchange loss incurred, being partially offset by the lower gain on disposal of property, plant and equipment.

## **Other Income**

Other income decreased from approximately S\$183,000 for the six months ended 30 June 2023 to \$95,000 for the six months ended 30 June 2024, primarily due to the lower interest income generated from a lower average balance of fixed bank deposits and lower effective interest rate for the six months ended 30 June 2024.

## **Income Tax Expense**

The income tax expense and effective tax rate for the six months ended 30 June 2024 was approximately S\$307,000 and 21.1% respectively, as compared with S\$61,000 and 39.9% during the corresponding period of 2023. The increase in tax expense was mainly attributable to the overall higher chargeable income of the subsidiaries of the Company.

## **Profit after tax for the six months ended 30 June 2024**

As a result of the above factors, the net profit of the Group was approximately S\$1.2 million for the six months ended 30 June 2024, as compared with S\$92,000 for the six months ended 30 June 2023.

## **Liquidity and Capital Resources**

As at 30 June 2024, the current assets of the Group amounted to approximately S\$36.9 million, including cash and cash equivalents of approximately S\$7.9 million, fixed bank deposits of \$7.3 million and trade and other receivables, deposits and prepayments of approximately S\$21.7 million. Current liabilities of the Group amounted to approximately S\$11.3 million, including trade and other payables of approximately S\$7.4 million, borrowings of approximately S\$2.2 million, lease liabilities of approximately S\$1.3 million and income tax payable of approximately S\$0.3 million. As at 30 June 2024, the current ratio (the current assets to current liabilities ratio) of the Group was 3.3, as compared with 3.4 as at 31 December 2023.

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 2024. Thus, the net debt to equity ratio was not applicable (31 December 2023: N/A).

## **Capital Expenditures**

Save as disclosed in this announcement, there was no other significant capital expenditure incurred during the six months ended 30 June 2024.

## **Contingent Liabilities**

The Group had no material contingent liabilities as at 30 June 2024.

## **Pledge of Assets**

As at 30 June 2024, the banking facilities of the Group were 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 guarantees provided by the Company and its subsidiaries.

## **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 30 June 2024.

## **Significant Investments, Acquisitions and Disposals**

On 18 April 2024, the Company (as Purchaser) and 東星控股(武漢)有限公司 (as Vendor) entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the 51% equity interest in 東星生活便利店(深圳)有限公司 at the consideration of HK\$34,200,000, which will be satisfied by the issuance of interest-free convertible note in the principal amount of HK\$34,200,000 with a maturity date falling on the third anniversary of the date of issuance to the Vendor upon completion.

Further details are set out in the Company's announcements dated 18 April 2024 and 19 April 2024.

Save as disclosed above and in this announcement, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period, 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 2024.

## **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 30 June 2024.

## 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 30 June 2024:

	Revised allocation of the net proceeds S\$'000	Approximate percentage of the total net proceeds	Utilised amounts as at 30 June 2024 S\$'000	Unutilised amounts as at 30 June 2024 S\$'000	Estimated completion of utilisation
Acquisition of landscaping company	1,774	15.0%	–	1,774	31 December 2025
Purchase of waste disposal equipment	605	5.1%	605	–	N/A
Hiring of waste disposal staff	627	5.3%	479	148	31 December 2025
Cash flow mismatch	6,170	52.2%	6,170	–	N/A
Hiring of sales and marketing staff	166	1.4%	166	–	N/A
Hiring of safety officers	296	2.5%	61	235	31 December 2025
Purchase of software and systems	284	2.4%	128	156	31 December 2025
Leasing of automated machinery and equipment	721	6.1%	599	122	31 December 2025
General working capital	1,182	10.0%	1,182	–	N/A
<b>Total</b>	<b>11,825</b>	<b>100%</b>	<b>9,390</b>	<b>2,435</b>	

## **EMPLOYEE REMUNERATION AND RELATIONS**

As at 30 June 2024, the Group had approximately 3,029 employees (2,609 as at 31 December 2023). The employees of the Group (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 2024.

## **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. Lew Chern Yong and Mr. Leung Chi Hang, Benson, 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 interim results for the six months ended 30 June 2024 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.

## **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.

## **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.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.hygieiagroup.com/>). The interim report for the six months ended 30 June 2024 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**

“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
“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 six months ended 30 June 2024
“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, 29 August 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. Lew Chern Yong, Mr. Leung Chi Hang, Benson and Mr. Wong Yuk.*