

BEVERLY JCG LTD.

Company Registration No. 200505118M

BEVERLY JCG LTD. (F.K.A JCG INVESTMENT HOLDINGS LTD.)

THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

The quarterly reporting of financial statements is mandatory for the Company pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited's Listing Manual Section B: Rules of Catalyst.

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group 3 months ended		Increase/ (Decrease)	Group 9 months ended		Increase/ (Decrease)
	30.09.2020 Unaudited S\$'000	30.09.2019 Unaudited S\$'000		30.09.2020 Unaudited S\$'000	30.09.2019 Unaudited S\$'000	
	Revenue	1,602		787	104%	
Cost of Sales	(858)	(614)	40%	(2,211)	(1,064)	108%
Gross Profit	744	173	330%	1,739	521	234%
Gross Profit Margin	46%	22%		44%	33%	
Other income	83	11	654%	342	12	2750%
Other (gains)/losses	22	(1)	2300%	22	(33)	167%
Selling and distribution expenses	(41)	(16)	156%	(190)	(48)	296%
Administrative expenses	(1,927)	(979)	97%	(5,925)	(2,451)	142%
Finance expenses	(59)	(14)	321%	(140)	(198)	(29%)
Loss for the financial period before income tax	(1,178)	(826)	43%	(4,152)	(2,197)	89%
Income tax credit	54	(26)	308%	180	(26)	792%
Net loss	(1,124)	(852)	32%	(3,972)	(2,223)	79%
Other comprehensive loss:						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation (loss)/income	(21)	(21)	0%	(22)	30	(173%)
Other comprehensive (loss)/income, net of tax	(21)	(21)	0%	(22)	30	(173%)
Total comprehensive loss	(1,145)	(873)	31%	(3,994)	(2,193)	82%
Loss attributable to:						
Equity holders of the Company	(879)	(862)	2%	(2,919)	(2,200)	33%
Non-controlling interests	(245)	10	(2550%)	(1,053)	(23)	4478%
Net loss for the financial period	(1,124)	(852)	32%	(3,972)	(2,223)	79%
Loss attributable to:						
Equity holders of the Company	(900)	(875)	3%	(2,941)	(2,172)	35%
Non-controlling interests	(245)	2	(12350%)	(1,053)	(21)	4914%
Total comprehensive loss for the financial period	(1,145)	(873)	31%	(3,994)	(2,193)	82%

Notes to Consolidated Statement of Comprehensive Income

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	3 months ended			9 months ended		
	30.09.2020	30.09.2019		30.09.2020	30.09.2019	
Unaudited	Unaudited		Unaudited	Unaudited		
	S\$'000	S\$'000		S\$'000	S\$'000	
Interest expense on borrowings	(25)	(14)	79%	(47)	(47)	0%
Interest expense on lease	(34)	-	100%	(93)	-	100%
Amortisation of intangible assets	(118)	-	100%	(352)	-	100%
Depreciation of property, plant and equipment	(490)	(50)	880%	(1,354)	(78)	1636%
Property tax and rental rebates	43	-	100%	73	-	100%
Rental income	-	7	(100%)	9	7	29%
Fixed deposit interest income	1	4	(75%)	9	4	125%
Share options adjustment	-	-	-	-	141	(100%)
Share award under JCG share performance plan	-	(285)	(100%)	-	(285)	(100%)
Unwinding of imputed interest	-	-	-	-	(151)	(100%)
Foreign exchange loss	(7)	(3)	133%	(9)	(16)	(44%)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at 30.09.2020 Unaudited S\$'000	As at 31.12.2019 Audited S\$'000	As at 30.09.2020 Unaudited S\$'000	As at 31.12.2019 Audited S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	652	1,354	111	114
Trade and other receivables	1,765	1,945	762	289
Inventories	482	538	-	-
Total current assets	2,899	3,837	873	403
Non-current assets				
Investment in subsidiary corporations	-	-	7,203	7,203
Property, plant and equipment	6,153	6,781	196	316
Intangible assets	5,303	5,657	-	-
Total non-current assets	11,456	12,438	7,399	7,519
Total assets	14,355	16,275	8,272	7,922
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	4,266	2,767	1,249	900
Borrowings	545	1,020	1,060	450
Lease liabilities (office and medical centre)	779	793	140	124
Current income tax liabilities	14	128	-	-
Total current liabilities	5,604	4,708	2,449	1,474
Non-current liabilities				
Borrowings	699	103	-	-
Lease liabilities (office and medical centre)	2,286	2,251	80	188
Trade and other payables	90	180	90	180
Deferred income tax liabilities	525	688	-	-
	3,600	3,222	170	368
Total liabilities	9,204	7,930	2,619	1,842
Net assets	5,151	8,345	5,653	6,080
Capital and reserves attributable to equity holders of the Company				
Share capital	68,260	67,460	68,260	67,460
Other reserves	5,223	5,245	5,261	5,261
Accumulated losses	(68,860)	(65,941)	(67,868)	(66,641)
Share capital and reserves	4,623	6,764	5,653	6,080
Non-controlling interests	528	1,581	-	-
Total equity	5,151	8,345	5,653	6,080

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

	As at 30.09.2020		As at 31.12.2019	
	Unaudited		Audited	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(i) Finance leases ^(a)	19	-	21	16
(ii) Bank loan I	-	114	-	82
(iii) Bank loan II ^(b)	314	-	-	-
(iv) Loan from a related company	-	98	-	-
(v) Bank overdraft ^(c)	-	-	901	-

Amount repayable after one year

	As at 30.09.2020		As at 31.12.2019	
	Unaudited		Audited	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(i) Finance leases ^(a)	-	-	-	-
(ii) Bank loan I	-	38	-	103
(iii) Bank loan II ^(b)	661	-	-	-
(iv) Loan from a related company	-	-	-	-
(v) Bank overdraft ^(c)	-	-	-	-

Details of any collateral

- (a) Finance leases are secured by the motor vehicle acquired under the lease arrangement.
- (b) Bank loan II is secured by a corporate guarantee of the Company and a personal guarantee by certain directors of the Company.
- (c) Bank overdraft is secured by a debenture of fixed and floated charge over the assets of a subsidiary corporation and jointly and severally guarantee by certain directors of the Company. The bank overdraft is repayable on demand. The bank overdraft has been fully repaid in August 2020.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			
	3 months ended		9 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000
Cash flows from operating activities				
Net loss	(1,124)	(852)	(3,972)	(2,223)
Adjustment for:				
Income tax (credit)/expenses	(54)	26	(180)	26
Depreciation of property, plant and equipment	490	50	1,354	78
Amortisation of intangible assets	118	-	352	-
Gain due to modification of lease	-	-	(37)	-
Share options adjustment	-	-	-	(141)
Share award under JCG share performance plan	-	285	-	285
(Gain)/loss on deconsolidation of subsidiary corporations	(22)	1	(22)	33
Unwinding of imputed interest	-	-	-	151
Unrealised currency translation gain	(16)	(23)	25	27
Interest expense	59	14	140	47
Operating cash flows before movements in working capital	(549)	(499)	(2,340)	(1,717)
Trade and other receivables	(37)	519	180	620
Inventories	25	-	56	-
Trade and other payables	87	(395)	1,429	524
Cash used in operations	(474)	(375)	(675)	(573)
Income tax paid	(4)	(22)	(97)	(108)
Net cash used in operating activities	(478)	(397)	(772)	(681)
Cash flow from investing activities				
Purchase of property, plant and equipment	(39)	(2)	(83)	(50)
Net cash inflow on acquisition of a subsidiary corporation	-	-	-	148
Net cash (used in)/generated from investing activities	(39)	(2)	(83)	98

	Group			
	3 months ended		9 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000
Cash flows from financing activities				
Bank deposits pledged	(500)	(750)	(671)	(750)
Bank deposits discharged	1,199	-	1,199	-
Proceeds from issuance of new shares	-	500	800	4,500
Proceeds from conversion of warrants	-	-	-	8
Proceeds from borrowings	1,080	-	1,080	-
Repayment of lease liability	(229)	(36)	(721)	(44)
Repayment of finance lease	-	-	(18)	-
Repayment of borrowings	(7)	(19)	(41)	(3,525)
Interest paid	(25)	(4)	(47)	(37)
Net cash generated from/(used in) financing activities	1,518	(309)	1,581	152
Net increase/(decrease) in cash and cash equivalents	1,001	(708)	726	(431)
Cash and cash equivalents at the beginning of the financial period	(573)	1,891	(297)	1,613
Effect of currency translation on cash and cash equivalents	1	-	-	1
End of the financial period	429	1,183	429	1,183

Represented by:

	Group			
	3 months ended		9 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000
Cash at bank and on hand	652	1,933	652	1,933
Less: bank deposits pledged	(223)	(750)	(223)	(750)
Cash and cash equivalents per consolidated statement cash flows	429	1,183	429	1,183

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital S\$'000	Currency translation reserves S\$'000	Accumulated losses S\$'000	Share option reserve S\$'000	Warrant reserve S\$'000	Attributable to equity holders of company S\$'000	Non-controlling interest S\$'000	Total S\$'000
Unaudited								
Balance as at 01.01.2019	53,871	(10)	(63,106)	278	3,507	(5,460)	137	(5,323)
Conversion of warrants	13	-	-	-	(5)	8	-	8
Issuance of share capital	7,785	-	-	-	-	7,785	-	7,785
Acquisition of a subsidiary corporation	3,350	-	-	-	-	3,350	-	3,350
Share options lapsed	-	-	-	(141)	-	(141)	-	(141)
Total comprehensive loss for the period	-	-	(1,338)	-	-	(1,338)	(34)	(1,372)
Other comprehensive loss	-	41	-	-	-	41	10	51
Deconsolidation of subsidiary corporations	-	-	-	-	-	-	(1)	(1)
Balance as at 30.06.2019	65,019	31	(64,444)	137	3,502	4,245	112	4,357
Issuance of share capital	500	-	-	-	-	500	-	500
Share award under JCG share performance plan	285	-	-	-	-	285	-	285
Total comprehensive loss for the period	-	-	(862)	-	-	(862)	10	(852)
Other comprehensive loss	-	(13)	-	-	-	(13)	(8)	(21)
Balance as at 30.09.2019	65,804	18	(65,306)	137	3,502	4,155	114	4,269

Group	Share capital S\$'000	Currency translation reserves S\$'000	Accumulated losses S\$'000	Share option reserve S\$'000	Warrant reserve S\$'000	Attributable to equity holders of company S\$'000	Non-controlling interest S\$'000	Total S\$'000
Unaudited								
Balance as at 01.01.2020	67,460	(16)	(65,941)	25	5,236	6,764	1,581	8,345
Issuance of share capital	800	-	-	-	-	800	-	800
Total comprehensive loss for the period	-	-	(2,040)	-	-	(2,040)	(808)	(2,848)
Other comprehensive loss	-	(1)	-	-	-	(1)	-	(1)
Balance as at 30.06.2020	68,260	(17)	(67,981)	25	5,236	5,523	773	6,296
Total comprehensive loss for the period	-	-	(879)	-	-	(879)	(245)	(1,124)
Other comprehensive loss	-	(21)	-	-	-	(21)	-	(21)
Balance as at 30.09.2020	68,260	(38)	(68,860)	25	5,236	4,623	528	5,151

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Company	Share capital S\$'000	Accumulated losses S\$'000	Share option reserves S\$'000	Warrant reserve S\$'000	Total S\$'000
Unaudited					
Balance as at 01.01.2019	53,871	(61,152)	278	3,507	(3,496)
Conversion of warrants	13	-	-	(5)	8
Issuance of share capital	7,785	-	-	-	7,785
Acquisition of a subsidiary corporation	3,350	-	-	-	3,350
Share options lapsed	-	-	(141)	-	(141)
Total comprehensive loss for the period	-	(1,273)	-	-	(1,273)
Balance as at 30.06.2019	65,019	(62,425)	137	3,502	6,233
Issuance of share capital	500	-	-	-	500
Share award under JCG share performance plan	285	-	-	-	285
Total comprehensive loss for the period	-	(813)	-	-	(813)
Balance as at 30.09.2019	65,804	(63,238)	137	3,502	6,205
Unaudited					
Balance as at 01.01.2020	67,460	(66,641)	25	5,236	6,080
Issuance of share capital	800	-	-	-	800
Total comprehensive loss for the period	-	(782)	-	-	(782)
Balance as at 30.06.2020	68,260	(67,423)	25	5,236	6,098
Total comprehensive loss for the period	-	(445)	-	-	(445)
Balance as at 30.09.2020	68,260	(67,868)	25	5,236	5,653

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of shares	Share capital S\$'000
Balance as at 31 December 2019	15,383,882,179	67,460
Balance as at 30 September 2020	15,811,689,664	68,260

Pursuant to the Subscription Agreement entered into in November and December 2019 between the Company and certain subscribers amounted to S\$800,000 in aggregate, the Company had on 16 January 2020, completed the allotment and issuance to the subscribers of 427,807,485 ordinary shares at an issue price of S\$0.00187 and 85,561,497 investment warrants, each convertible into one ordinary share at an exercise price of S\$0.002. Accordingly, the total number of ordinary shares of the Company increased from 15,383,882,179 shares to 15,811,689,664 shares.

There were no treasury shares and subsidiary holdings as at 30 September 2020 and 30 September 2019.

- 1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	Company 30.09.2020	Company 31.12.2019
Total number of issued shares excluding treasury shares	15,811,689,664	15,383,882,179

There were no treasury shares during and as at end of the financial period ended 30 September 2020 and as at the end of the financial year ended 31 December 2019.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable as the Company did not have any treasury shares as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable as the Company did not have any subsidiary holdings during and as at the end of the current financial period reporting on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

**(a) updates on the efforts taken to resolve each outstanding audit issue; and
(b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

The latest financial statements of the Group for the financial year ended 31 December 2019 was subject to a disclaimer opinion.

(a) The board would like to update on the efforts to resolve each outstanding audit issues as follows:

(i) Independent review on the recoverability of advances and/or loans and goodwill

As announced by the Company on 30 March 2020, BDO LLP (the "Independent Reviewer"), which was appointed by the Company to conduct the independent review, has completed the independent review. The Company is in the process of formulating its response and proposal to address the issues raised, and implement the recommendations proposed, in the independent review report. The Company will provide updates to SGX and shareholders in due course and at the appropriate juncture.

(ii) Consolidation of financial statement – iMyth Taiwan Limited

Management has the intention to dispose of iMyth Taiwan and will provide updates to shareholders in due course and at the appropriate juncture.

(iii) Existence and completeness of cash and bank balances

Due to COVID-19 and the Malaysia Movement Control Order ("MCO"), management was unable to obtain the bank confirmations for the bank accounts for two of our Malaysia subsidiaries as at the date of the Auditors' Report on 15 April 2020. The Board would like to update that these bank confirmations have been received on 17 April 2020 and 20 April 2020.

(b) The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

5. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except disclosed in Paragraph 6 below, the same accounting policies and methods of computation have been adopted for the current reporting year as compared with the most recent audited financial statements of the Company for the financial year ended 31 December 2019 ("FY2019").

6. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Amendments to SFRS(I) 3 Business Combination (effective for annual periods beginning on or after 1 January 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(I) 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 January 2020. Early application is permitted. The Group does not expect any significant impact arising from applying these amendments.

7. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Loss Per Share	Group		Group	
	3 months ended		9 months ended	
	30.09.2020 Unaudited	30.09.2019 Unaudited	30.09.2020 Unaudited	30.09.2019 Unaudited
Basic (Singapore cents) ⁽¹⁾	(0.006)	(0.007)	(0.018)	(0.019)
Diluted (Singapore cents) ⁽²⁾	(0.006)	(0.007)	(0.018)	(0.019)

Notes:

¹ The calculation of loss per ordinary share is based on the Group's loss attributable to equity holders of the Company of approximately S\$879,000 for 3 months period ended 30 September 2020 (30 September 2019: S\$862,000) and loss attributable to equity holders of the Company of approximately S\$2,919,000 for 9 months period ended 30 September 2020 (30 September 2019: S\$2,200,000) divided by the weighted average number of shares of 15,788,269,546 shares (30 September 2019: 11,789,428,398 shares).

² The outstanding warrants and options were not included in the computation of the diluted loss per share as their effect would have been anti-dilutive.

8. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year**

	Group		Company	
	30.09.2020 Unaudited	31.12.2019 Audited	30.09.2020 Unaudited	31.12.2019 Audited
Net assets (S\$'000)	5,151	8,345	5,653	6,080
Number of ordinary shares in issue ('000)	15,811,690	15,383,882	15,811,690	15,383,882
Net assets value per ordinary share (Singapore cents)	0.03	0.05	0.04	0.04

9. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of the Income Statement of the Group

i) Revenue

	3Q2020	3Q2019	Variance	
	S\$'000	S\$'000	S\$'000	%
Trading and distribution	55	196	(141)	(72%)
Medical aesthetics	1,536	41	1,495	3646%
Event organisation and management consultancy	11	550	(539)	(98%)
Total	1,602	787	815	104%

The Group's revenue from its trading and distribution business for 3Q2020 was S\$0.055 million, a decrease of 72% or S\$0.141 million as compared to the revenue of S\$0.196 million in the previous corresponding financial period ended 30 September 2019 ("3Q2019").

The medical aesthetic segment recorded revenue of S\$1.536 million during 3Q2020, an increase of S\$1.495 million compared to corresponding period in 3Q2019 of S\$0.041 million. The increase is due to Beverly Wilshire Medical Centre Group in Malaysia, acquired by the Group in November 2019, which generated revenue of S\$1.536 million.

The event organisation and management consultancy segment for 3Q2020 was S\$0.011 million, a decrease of 98% or S\$0.539 million as compared to the revenue of S\$0.550 million in the previous corresponding financial period ended 30 September 2019 ("3Q2019").

ii) Cost of sales

The increase in cost of sales is in line with the increase in revenue.

iii) Gross profit

The Group's gross profit from operations increased by 330% or S\$0.571 million from S\$0.173 million in 3Q2019 to S\$0.744 million in 3Q2020. The increase was mainly due to the newly acquired Beverly Wilshire Medical Centre Group in Malaysia in FY2019 which generated gross profit margin of S\$0.743 million in 3Q2020.

iv) Other income

Other income increased by S\$0.072 million from S\$0.011 million in 3Q2019 to S\$0.083 million in 3Q2020 mainly due to increase in government grants.

v) Other (gains)/ losses

Other (gains)/losses increased by S\$0.023 million from loss of S\$0.001 million in 3Q2019 to a gain of S\$0.022 million in 3Q2020 due to gain on deconsolidation of a subsidiary corporation.

vi) Administrative expenses

Administrative expenses increased by S\$0.948 million from S\$0.979 million in 3Q2019 to S\$1.927 million in 3Q2020. The administrative expenses incurred during the period ended 30 September 2020 are mainly operational costs, including staff costs, directors' remunerations and professional fees. The increase was mainly due to operation costs amounting to S\$1.320 million arising from the newly acquired subsidiary corporations, Beverly Wilshire Medical Centre Group.

vii) Finance expenses

During the financial period under review, finance expenses increased by S\$0.045 million or 321% from S\$0.014 million in 3Q2019 to S\$0.059 million in 3Q2020. The increase mainly due to increase in interest on lease amounting to S\$0.034 million.

viii) Depreciation of property, plant and equipment

During the financial period under review, the depreciation of property, plant and equipment increased by S\$0.440 million or 880% from S\$0.050 million in 3Q2019 to S\$0.490 million in 3Q2020 was mainly due to the depreciation generated from newly acquired subsidiary corporations, Brand X Lab Pte Ltd and Beverly Wilshire Medical Centre Group in FY2019.

ix) Amortisation of intangible assets

During the financial period under review, the amortization of intangible assets increased by S\$0.118 million or 100% from S\$Nil million in 3Q2019 to S\$0.118 million in 3Q2020 mainly due to the amortisation of customer relationships and trademark generated from newly acquired subsidiary corporations, Brand X Lab Pte Ltd and Beverly Wilshire Medical Centre Group in FY2019.

Review of the Financial Position of the Group

x) Assets

Total assets of the Group decreased by S\$1.920 million from S\$16.275 million as at 31 December 2019 to S\$14.355 million as at 30 September 2020. This was due to decrease in cash and cash equivalents, trade and other receivables, inventories, property, plant and equipment and intangible assets of S\$0.702 million, S\$0.180 million, S\$0.056 million, S\$0.628 million and S\$0.354 million respectively.

xi) Liabilities

Total liabilities increased by S\$1.274 million from S\$7.930 million as at 31 December 2019 to S\$9.204 million as at 30 September 2020 due to increase in trade and other payables, borrowings and lease liabilities of S\$1.409 million, S\$0.121 million and S\$0.021 million respectively and offset by decrease in current income tax liabilities and deferred income tax liabilities of S\$0.114 million and S\$0.163 million respectively.

xii) Negative working capital

As at 30 September 2020, the Group's total assets exceeded its total liabilities by S\$5.151 million; however, the Group had negative working capital of S\$2.705 million. Notwithstanding this, the Board and Management is of the view that the Group is able to continue as a going concern due to the following:

(a) New subsidiary corporations/joint venture companies:

- The Group acquired Brand X Lab on 15 April 2019. Brand X Lab is a private limited company incorporated in Singapore and it provides event organisation and promotion services as well as business and management consultancy services.
- The Group had completed the acquisition of a controlling interests of 51% in Beverly Wilshire Medical Centre Group on 7 November 2019. Beverly Wilshire Medical Centre Group is a well-known brand in Malaysia with multi award-winning integrated beauty and wellness medical centres, specialising in aesthetic medicine, plastic surgery, dental aesthetics, hair restoration and a range of healthy aging and wellness services.
- The Company's wholly-owned subsidiary JCG-Beverly Pte Ltd ("JCGB") had on 24 January 2020 incorporated a special purpose vehicle ("SPV"), Natasha Beverly Sdn Bhd ("Natasha Beverly") for the purposes of entering into a strategic joint venture with Natasha Skincare (Malaysia) Sdn Bhd. JCGB had on 19 February 2020 entered into a shareholders agreement with Natasha Skincare (Malaysia) Sdn Bhd in relation to Natasha Beverly with its principal activities being medical aesthetics clinic and other health maintenance procedures such as medi-spa, chiropractor and physiotherapy.
- JCGB had on 7 April 2020, incorporated an SPV, Beverly Ipoh Sdn Bhd for the purposes of entering into a strategic joint venture with Chong Yee Leng ("Dr Elaine"). The joint venture's principal activities are aesthetic medicine and related activities. JCGB had on 23 April 2020 entered into a non-binding term sheet with Dr Elaine to establish a joint venture for the purposes of providing aesthetic medicine procedures. The Term Sheet had lapsed on 14 May 2020. Subsequently, JCGB had on 8 June 2020 entered into a new non-binding term sheet (the "New Term Sheet") with Dr Elaine for the proposed transaction. The New Term Sheet had lapsed on 29 June 2020. Subsequent to the lapse of the New Term Sheet and pursuant to further discussions between JCGB and Dr Elaine on the Proposed Transaction, JCGB had on 7 September 2020 entered into a joint venture agreement with Dr Elaine (the "JVA"); and (b) a shareholders' agreement with Dr Elaine, Howard Ng How Er and Beverly Ipoh (the "SHA"), each in relation to the Proposed Transaction.
- Natasha Beverly had on 15 July 2020 incorporated an SPV, DS Beverly Sdn Bhd ("DS Beverly"), for the purposes of entering into a strategic joint venture with Dermatology & Surgery Clinic Pte Ltd ("DS"), who is an unrelated third party. The joint venture's principal activities include healthy aging, regenerative medicine and health screening services. Natasha Beverly had on 21 August 2020 entered into a non-binding term sheet and on 24 August 2020 entered into a supplemental letter (collectively, the "Term Sheet") with DS to establish a joint venture for the purposes of providing healthy aging, regenerative medicine and health screening services.

(b) Fund raising exercises:

- The Company recently raised a total of S\$1,300,000 from private placements which will be used to fund future expansion through mergers and acquisitions and for the Group's working capital.
- Beverly Wilshire Medical Centre Sdn Bhd ("BWMC"), a 51% owned subsidiary of the Company, had on 28 May 2020 entered into a letter of offer with a Malaysian bank in relation to the grant of banking facilities of up to RM7 million to BWMC. BWMC had on 18 August 2020 entered into a banking facilities agreement (the "Facilities Agreement") with the Malaysian bank in relation to the grant of banking facilities of up to RM7 million to BWMC.
- The Company had obtained shareholders' approval on 29 June 2020 for the proposed renounceable non-underwritten rights cum warrants issue (the "Rights Cum Warrants Issue") of up to 6,802,407,763 new ordinary shares (the "Shares") in the capital of the Company (the "Rights Shares") at an issue price of S\$0.001 (the "Issue Price") per Rights Share, with up to 6,802,407,763 free detachable warrants (the "Warrants"), on the basis of one (1) Rights Share for every three (3) existing Shares held by Entitled Shareholders (as defined below) as at a record date to be determined by the Directors (the "Record Date"), fractional entitlements to be disregarded, and one (1) Warrant for every one (1) Rights Share subscribed.

Barring any unforeseen circumstances, the Group expects these new subsidiary corporations/joint venture companies and fund-raising exercises to contribute positively to the Group's working capital position as explained in paragraph 11.

- (c) Concurrently, the Company will continue to look for other fund-raising exercises to fund the working capital and growth of the Group going forward and the Company will also seek for growth opportunities and all other possibilities to complement the existing businesses of the Group.

Review of the Cash Flows Statement of the Group

xiii) Cash flows

Net cash used in operating activities in 3Q2020 amounted to S\$0.478 million. The operating cash outflows before movement in working capital was S\$0.549 million. The net cash inflows from the changes in working capital of approximately S\$0.075 million was mainly due to increase in trade and other payables of S\$0.087 million.

Net cash used in investing activities for 3Q2020 amounted to S\$0.039 million due to the purchase of property, plant and equipment.

Net cash generated from financing activities for 3Q2020 amounted to S\$1.518 million due to bank deposits discharged and proceeds from borrowings of S\$1.199 million and S\$1.080 million respectively and offset by fixed deposits pledged, repayment of borrowings, lease liability and interest paid of S\$0.500 million, S\$0.007 million, S\$0.229 million and S\$0.025 million respectively.

Cash and cash equivalents were S\$0.429 million as at 30 September 2020 as compared to S\$1.183 million as at 30 September 2019.

10. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

11. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The emergence of COVID-19 has brought about uncertainties to the Group's operating environment and its financial position subsequent to the financial year ended 31 December 2019. The Group is cognisant of the challenges posed by these developing events, in particular, the MCO in Malaysia and the potential impact they have on our business sector. The Group will continuously assess the situation, adhere closely to the measures implemented in Malaysia and Singapore to support their efforts in containing the spread of COVID-19, and put in place measures to minimise impact to our business. The Group is cautiously confident that, with an effective strategic plan and a strong management team to execute our plan, the Group is poised to grow successfully and steadily even during and after this time of a COVID-19 economic and financial market crisis. Post COVID-19, it is expected that many opportunities will arise for the Group to look for smaller medical aesthetics companies which are badly affected for collaboration or acquisition. This is in line with our strategy to grow through mergers and acquisitions.

The following events are expected to positively impact the Group in the next reporting period and the next 12 months:

(i) Acquisition of New Subsidiaries/Joint Venture Companies

Acquisition of Beverly Wilshire Medical Centre Group

Beverly JCG acquired a controlling interest in Beverly Wilshire Medical Centre Group on 7 November 2019. This brings to the Group an established player in Malaysia in the healthcare industry with their core business in medical and dental aesthetics, healthy ageing wellness and regenerative therapies, cosmetic surgery and hair restoration. Beverly Wilshire is a multi-award-winning integrated beauty care and medical aesthetics group established in 2012. It manages and operates two (2) fully-licensed Ministry of Health of Malaysia medical centres, in addition to three (3) licenced aesthetics clinics in Kuala Lumpur, Petaling Jaya and Johore Bahru.

Formation of Strategic Joint Venture with Natasha Skincare (Malaysia) Sdn Bhd

The Company's wholly-owned subsidiary JCG-Beverly Pte Ltd had on 24 January 2020, incorporated an SPV, Natasha Beverly Sdn Bhd, for the purposes of forming a strategic joint venture with Natasha Skincare (Malaysia) Sdn Bhd. The joint venture's principal activities will include a medical aesthetics clinic and other health maintenance procedures such as medi-spa, chiropractor and physiotherapy. Natasha Skincare is a leading beauty brand in Indonesia with more than 100 outlets. The joint venture will positively benefit JCG.

Formation of Strategic Joint Venture with Dr Chong Yee Leng

The Company's wholly-owned subsidiary JCG-Beverly Pte Ltd had on 7 April 2020 incorporated an SPV, Beverly Ipoh Sdn Bhd for the purposes of forming a strategic joint venture with Dr Chong Yee Leng. The joint venture's principal activities are aesthetic medicine and related activities.

Barring any unforeseen circumstances, the Group expects the new subsidiary corporations/joint venture companies to contribute positively to the Group's revenue, profits and working capital in the next reporting period and in the next 12 months.

Formation of Strategic Joint Venture with Dermatology & Surgery Clinic Pte Ltd

Natasha Beverly had on 15 July 2020 incorporated an SPV, DS Beverly Sdn Bhd (“DS Beverly”), for the purposes of forming a strategic joint venture with Dermatology & Surgery Clinic Pte Ltd (“DS”), who is an unrelated third party. The joint venture’s principal activities include healthy aging, regenerative medicine and health screening services. Natasha Beverly had on 21 August 2020 entered into a non-binding term sheet and on 24 August 2020 entered into a supplemental letter (collectively, the “Term Sheet”) with DS to establish a joint venture for the purposes of providing healthy aging, regenerative medicine and health screening services

(ii) Fund Raising

Private Placements

The Company recently raised a total of S\$1,300,000 from private placements which will be used to fund future expansion through mergers and acquisitions and for the Group’s working capital.

Bank Facilities

Beverly Wilshire Medical Centre Sdn Bhd (“BWMC”), a 51% owned subsidiary of the Company, had on 28 May 2020 entered into a letter of offer with a Malaysian bank in relation to the grant of banking facilities of up to RM7 million to BWMC. BWMC had on 18 August 2020 entered into a banking facilities agreement (the “Facilities Agreement”) with the Malaysian bank in relation to the grant of banking facilities of up to RM7 million to BWMC.

Rights Cum Warrants Issue

The Company had obtained shareholders’ approval on 29 June 2020 for the proposed renounceable non-underwritten rights cum warrants issue (the “Rights Cum Warrants Issue”) of up to 6,802,407,763 new ordinary shares (the “Shares”) in the capital of the Company (the “Rights Shares”) at an issue price of S\$0.001 (the “Issue Price”) per Rights Share, with up to 6,802,407,763 free detachable warrants (the “Warrants”), on the basis of one (1) Rights Share for every three (3) existing Shares held by Entitled Shareholders (as defined below) as at a record date to be determined by the Directors (the “Record Date”), fractional entitlements to be disregarded, and one (1) Warrant for every one (1) Rights Share subscribed.

Concurrently, the Company will continue to look for other fund-raising exercises to fund the working capital and growth of the Group going forward.

(iii) Financial Results and Position

The Group’s quarter-on-quarter revenue for medical aesthetics increased 3646% from S\$0.041 million to S\$1.536 million with only 3 months of revenue contribution from Beverly Wilshire Group. The Group’s administrative expenses increased 97% from S\$0.979 million to S\$1.927 million. The increase was mainly due to operation costs amounting to S\$1.320 million arising from the newly acquired subsidiary corporations, Beverly Wilshire Medical Centre Group. The net loss attributable to equity holders of the Company for the financial period ended 30 September 2020 increased 2% from S\$0.862 million to S\$0.879 million. The Group’s net asset value per ordinary share has maintained at positive S\$0.03 cents.

12. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended for the current financial period.

(b)(i) Amount per share (cents)

Not applicable

(b)(ii) Previous corresponding period (cents)

Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividends are determined.

Not applicable

13. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended as the Group is in loss making position for financial period ended 30 September 2020.

14. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not enter into any IPT of S\$100,000 or more in value per transaction for 3Q2020. The Group does not have a general mandate from shareholders for IPTs.

15. Use of Proceeds

As at 9 November 2020, the net proceeds from the share subscriptions in January 2020 had been utilised as follows:

	Allocation of net proceeds raised S\$'000	Amount utilised before 14-Aug-20 S\$'000	Amount utilised from 15- Aug-20 to 9-Nov-20 S\$'000	Amount unutilised as at 9-Nov-20 S\$'000
(A) Proceeds from share subscription in January 2020				
(i) Working Capital	240	(240)	-	-
(ii) Funding growth, development and expansion of existing medical aesthetics and healthcare business and exploration of new business opportunities as and when they arise	560	(372)	(128)	60
Total Amount	800	(612)	(128)	60

Notes:

- (A) The proceeds from the share subscription raised in January 2020 pursuant to subscription agreements entered into in November and December 2019 with certain subscribers amounted to S\$800,000 in aggregate. The Company announced that 70% of the proceeds shall be used for funding growth, development and expansion of existing medical aesthetics and healthcare business and exploration of new business opportunities as and when they arise and 30% will be used for the working capital of the Company.

As at 9 November 2020, the proceeds from conversion of warrants arising from 2017 Rights cum Warrants amounted to S\$0.006 million which has been fully utilised for working capital purposes.

16. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules.

The Board of Directors hereby confirm that to the best of their knowledge, nothing has come to the attention of the Board which may render the interim financial results set out above to be false or misleading in any material respect.

17. Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the Catalist Rules.

The Company confirms that it has procured all the required undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

By Order of the Board
10 November 2020