# BEVERLY JCG LTD.

**Company Registration No. 200505118M**

**BEVERLY JCG LTD.**

FIRST QUARTER UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

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 Catalist.

This announcement has 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.

The contact person for the Sponsor is Ms Vanessa Ng (Telephone: +65 6389 3065 and E-mail: vanessa.ng@morganlewis.com).

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 | | |
|---|---|---|---|---|
| | Para | 31.03.2021 Unaudited S$'000 | 31.03.2020 Unaudited S$'000 | Increase/ (Decrease) |
| **Revenue** | 9(i) | **1,870** | 1,602 | 17% |
| Cost of Sales | 9(ii) | **(989)** | (943) | 5% |
| **Gross Profit** | 9(iii) | **881** | 659 | 34% |
| **Gross Profit Margin** | | **47%** | 41% | |
| Other income | 9(iv) | **65** | 48 | 35% |
| Selling and distribution expenses | | **(109)** | (109) | - |
| Administrative expenses | 9(v) | **(1,830)** | (1,879) | (3%) |
| Finance expenses | 9(vi) | **(49)** | (41) | 20% |
| **Loss for the financial period before income tax** | | **(1,042)** | (1,322) | (21%) |
| Income tax credit | 9(vii) | **69** | 32 | 116% |
| **Loss from continuing operations** | | **(973)** | (1,290) | 25% |
| **Loss from discontinued operations** [(1)] | | **-** | (65) | (100%) |
| | | **(973)** | (1,355) | (28%) |
| **Other comprehensive loss:** | | | | |
| **Item that may be reclassified subsequently to profit or loss:** | | | | |
| Currency translation differences arising from consolidation income | | **3** | 14 | (79%) |
| Other comprehensive income, net of tax | | **3** | 14 | (79%) |
| **Total comprehensive loss** | | **(970)** | (1,341) | (28%) |
| **Loss attributable to:** | | | | |
| Equity holders of the Company | | **(727)** | (1,004) | (28%) |
| Non-controlling interests | | **(246)** | (351) | (30%) |
| **Net loss for the financial period** | | **(973)** | (1,355) | (28%) |
| **Loss attributable to:** | | | | |
| Equity holders of the Company | | **(724)** | (990) | (27%) |
| Non-controlling interests | | **(246)** | (351) | (30%) |
| **Total comprehensive loss for the financial period** | | **(970)** | (1,341) | (28%) |

Note

[(1)] Loss from discontinued operations

(i) The Company had on 16 February 2021 entered into an unwinding and settlement agreement with Tan Suying ("**TSY**") in respect of the mutual agreement by TSY and the Company to unwind the acquisition of Brand X Lab Pte Ltd ("**BXL**") (the "**Proposed Unwinding and Settlement**"). The Proposed Unwinding and Settlement is conditional upon approval by shareholders of the Company in general meeting. The Company and TSY agree that the date of effective transfer of any and all rights and entitlements as well as any and all obligations attached to the 100,000 shares of BXL, being the total issued share capital of BXL, shall be 1 January 2021, provided that the completion of the Proposed Unwinding and Settlement takes place on or before 31 December 2021. Accordingly, the income statement of the Group from 1 January 2021 to 31 March 2021 (**1Q2021**") did not include the profit or loss of BXL for 1Q2021.

(ii) On 26 March 2021, China iMyth Company Pte. Ltd ("**China iMyth**"), a 51% subsidiary of the Company, completed the disposal of its 100% shareholding interest in iMyth Taiwan Limited ("**iMyth Taiwan**"), a wholly-owned subsidiary of China iMyth and an indirect subsidiary of the Company, to Lin Hongtu, a nominee of Dr Chung Yih-Chen. iMyth Taiwan did not contribute any profit or loss to the Group in 1Q2021.

In accordance with SFRS(I) 5, the assets and liabilities directly associated with BXL and iMyth Taiwan (the "**Disposal Group**") are classified as held-for-sale as at 31 December 2020. Accordingly, the financial results of the Disposal Group from 1 January 2020 to 31 March 2020 ("**1Q2020**") have been accounted for as discontinued operations.

The results of the Disposal Group are as follows:

| | | **Group 3 months ended** | | |
|---|---|---|---|---|
| | | **31.03.2021 Unaudited S$'000** | **31.03.2020 Unaudited S$'000** | Increase/ (Decrease) |
| **Revenue** | | - | 113 | (100%) |
| Cost of Sales | | - | (63) | (100%) |
| **Gross Profit** | | - | 50 | (100%) |
| **Gross Profit Margin** | | - | 44% | |
| Other income | | - | 9 | (100%) |
| Selling and distribution expenses | | - | (10) | (100%) |
| Administrative expenses | | - | (128) | (100%) |
| Finance expenses | | - | (6) | (100%) |
| **Loss from discontinued operations before income tax** | | - | (85) | (100%) |
| Income tax credit | | - | 20 | (100%) |
| **Loss from discontinued operations [(1)]** | | - | (65) | (100%) |

**Notes to Consolidated Statement of Comprehensive Income**

| | | Group 3 months ended | | |
|---|---|---|---|---|
| | Para | 31.03.2021 Unaudited S$'000 | 31.03.2020 Unaudited S$'000 | Increase/ (Decrease) |
| Interest expense on borrowings | | (15) | (15) | - |
| Interest expense of lease | 9(vi) | (34) | (27) | 26% |
| Amortisation of intangible assets | | (96) | (99) | (3%) |
| Depreciation of property, plant and equipment | 9(v) | (499) | (336) | 49% |
| Rental income | 9(iv) | - | 9 | (100%) |
| Fixed deposit interest income | 9(iv) | -* | 4 | (100%) |
| Foreign exchange loss | 9(v) | -* | (2) | (100%) |

* Less than S$1,000

## 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 | |
|---|---|---|---|---|---|
| | Para | As at 31.03.2021 **Unaudited S$'000** | As at 31.12.2020 **Unaudited S$'000** | As at 31.03.2021 **Unaudited S$'000** | As at 31.12.2020 **Unaudited S$'000** |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 9(viii) | 585 | 293 | 29 | 43 |
| Trade and other receivables | 9(viii) | 815 | 794 | 486 | 510 |
| Inventories | 9(viii) | 437 | 412 | - | - |
| | | 1,837 | 1,499 | 515 | 553 |
| Assets of disposal group classified as held-for-sale | 9(viii) | 3,869 | 3,869 | - | - |
| Non-current assets classified as held-for-sale | | - | - | 3,611 | 3,611 |
| Total current assets | | 5,706 | 5,368 | 4,126 | 4,164 |
| **Non-current assets** | | | | | |
| Investment in subsidiary corporations | | - | - | 2,779 | 2,779 |
| Property, plant and equipment | 9(viii) | 5,681 | 5,955 | 117 | 156 |
| Intangible assets | 9(viii) | 1,343 | 1,439 | - | - |
| Total non-current assets | | 7,024 | 7,394 | 2,896 | 2,935 |
| **Total assets** | | **12,730** | **12,762** | **7,022** | **7,099** |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | 9(ix) | 4,768 | 3,995 | 1,736 | 1,394 |
| Borrowings | 9(ix) | 1,184 | 824 | 1,010 | 965 |
| Lease liabilities (office and medical centre) | | 726 | 769 | 105 | 144 |
| | | 6,678 | 5,588 | 2,851 | 2,503 |
| Liabilities directly associated with disposal group classified as held-for-sale | 9(ix) | 258 | 258 | - | - |
| Total current liabilities | | 6,936 | 5,846 | 2,851 | 2,503 |
| **Non-current liabilities** | | | | | |
| Borrowings | 9(ix) | 664 | 580 | - | - |
| Lease liabilities (office and medical centre) | | 1,886 | 2,053 | - | - |
| Deferred income tax liabilities | 9(ix) | 332 | 401 | - | - |
| Total non-current liabilities | | 2,882 | 3,034 | - | - |
| **Total liabilities** | | **9,818** | **8,880** | **2,851** | **2,503** |
| **Net assets** | | **2,912** | **3,882** | **4,171** | **4,596** |
| **Capital and reserves attributable to equity holders of the Company** | | | | | |
| Share capital | | 71,623 | 71,623 | 71,623 | 71,623 |
| Other reserves | | 1,850 | 1,847 | 1,905 | 1,905 |
| Accumulated losses | | (70,707) | (69,980) | (69,357) | (68,932) |
| Share capital and reserves | | 2,766 | 3,490 | 4,171 | 4,596 |
| Non-controlling interests | | 146 | 392 | - | - |
| **Total equity** | | **2,912** | **3,882** | **4,171** | **4,596** |

## 1(b)(ii) Aggregate amount of group's borrowings and debt securities

**Amount repayable in one year or less, or on demand**

| | As at 31.03.2021 Unaudited | | As at 31.12.2020 Unaudited | |
|---|---|---|---|---|
| | **Secured S$'000** | **Unsecured S$'000** | **Secured S$'000** | **Unsecured S$'000** |
| (i) Finance leases [(a)] | 49 | - | 16 | - |
| (ii) Bank loan [(b)] | 320 | - | 317 | - |
| (iiii) Loan from a related company[(c)] | - | 155 | - | 65 |
| (iv) Loan from a third party | - | 90 | - | - |
| (v) Bank overdraft [(d)] | 191 | - | 177 | - |
| (vi) Invoice financing[(d)] | 379 | - | 249 | - |

**Amount repayable after one year**

| | As at 31.03.2021 Unaudited | | As at 31.12.2020 Unaudited | |
|---|---|---|---|---|
| | **Secured S$'000** | **Unsecured S$'000** | **Secured S$'000** | **Unsecured S$'000** |
| (i) Finance leases [(a)] | 167 | - | - | - |
| (ii) Bank loan [(b)] | 497 | - | 580 | - |
| (iii) Loan from a related company[(c)] | - | - | - | - |
| (iv) Loan from a third party | - | - | - | - |
| (v) Bank overdraft [(d)] | - | - | - | - |
| (vi) Invoice financing[(d)] | - | - | - | - |

**Details of any collateral**

(a) Finance leases are secured by the motor vehicle and equipment acquired under the lease arrangement.

(b) The bank loan is secured by a corporate guarantee from the Company and a personal guarantee by certain directors of the Company.

(c) The loan from a related company relates to loan from Beverly Bangsar Sdn Bhd ("BBSB"), a director-related company.

(d) Bank overdraft and invoice financing are secured by corporate guarantee from the Company and its subsidiary corporation as well as guarantee by certain directors of the Company. The bank overdraft is repayable on demand and the invoice financing is up to 120 days basis.

**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 | |
| | | 31.03.2021 | 31.03.2020 |
| | | Unaudited | Unaudited |
| | Para | S$'000 | S$'000 |
| Net loss | | (973) | (1,355) |
| **Cash flows from operating activities** | | | |
| **Adjustment for:** | | | |
| Income tax credit | | (69) | (52) |
| Depreciation of property, plant and equipment | | 499 | 351 |
| Amortisation of intangible assets | | 96 | 118 |
| Gain due to modification of lease | | - | (27) |
| Unrealised currency translation gain | | 17 | 5 |
| Interest expense | | 49 | 47 |
| Operating cash flows before movements in working capital | | **(381)** | **(913)** |
| Trade and other receivables | | (21) | 102 |
| Inventories | | (25) | 41 |
| Trade and other payables | | 773 | 423 |
| Cash used in operations | | **346** | **(347)** |
| Income tax paid | | - | (93) |
| **Net cash generated from/(used in) operating activities** | 9(xi) | **346** | **(440)** |
| **Cash flow used in investing activities** | | | |
| Purchase of property, plant and equipment | | (238) | (17) |
| **Net cash used in investing activities** | 9(xi) | **(238)** | **(17)** |

| | | Group | |
|---|---|---|---|
| | | 3 months ended | |
| | | 31.03.2021 | 31.03.2020 |
| | | Unaudited | Unaudited |
| | Para | S$'000 | S$'000 |
| **Cash flows from financing activities** | | | |
| Proceeds from issuance of new shares | | - | 800 |
| Proceeds from bank overdraft | | 131 | - |
| Proceeds from borrowings | | 180 | - |
| Proceeds from finance lease | | 211 | - |
| Repayment of lease liabilities | | (244) | (231) |
| Repayment of finance lease | | (12) | (18) |
| Repayment of borrowings | | (81) | (20) |
| Interest paid | | (15) | (18) |
| **Net cash generated from financing activities** | 9(xi) | **170** | **513** |
| Net increase in cash and cash equivalents | | 278 | 56 |
| Cash and cash equivalents at the beginning of the financial period | | 83 | (297) |
| Effect of currency translation on cash and cash equivalents | | - | - |
| **End of the financial period** | | **361** | **(241)** |

Represented by:

| | Group | |
|---|---|---|
| | 3 months ended | |
| | 31.03.2021 | 31.03.2020 |
| | Unaudited | Unaudited |
| | S$'000 | S$'000 |
| Cash at bank and on hand | 585 | 1,463 |
| Less: bank deposits pledged | (33) | (750) |
| Less: bank overdrafts | (191) | (954) |
| **Cash and cash equivalents per consolidated statement cash flows** | **361** | **(241)** |

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-controllin g 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 | - | - | (1,004) | - | - | (1,004) | (351) | (1,355) |
| Other comprehensive loss | - | 14 | - | - | - | 14 | - | 14 |
| **Balance as at 31.03.2020** | **68,260** | **(2)** | **(66,945)** | **25** | **5,236** | **6,574** | **1,230** | **7,804** |
| **Unaudited** | | | | | | | | |
| **Balance as at 01.01.2021** | **71,623** | **(58)** | **(69,980)** | **25** | **1,880** | **3,490** | **392** | **3,882** |
| Total comprehensive loss for the period | - | - | (727) | - | - | (727) | (246) | (973) |
| Other comprehensive loss | - | 3 | - | - | - | 3 | - | 3 |
| **Balance as at 31.03.2021** | **71,623** | **(55)** | **(70,707)** | **25** | **1,880** | **2,766** | **146** | **2,912** |

**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 01.01.2020** | 67,460 | (66,641) | 25 | 5,236 | 6,080 |
| Issuance of share capital | 800 | - | - | - | 800 |
| Total comprehensive loss for the period | - | (376) | - | - | (376) |
| **Balance as at 31.03.2020** | **68,260** | **(67,017)** | **25** | **5,236** | **6,504** |
| **Unaudited** | | | | | |
| **Balance as at 01.01.2021** | **71,623** | **(68,932)** | **25** | **1,880** | **4,596** |
| Total comprehensive loss for the period | - | (425) | - | - | (425) |
| **Balance as at 31.03.2021** | **71,623** | **(69,357)** | **25** | **1,880** | **4,171** |

**1(d)(ii) Details of any changes in the company's share capital arising from rights 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 2020 | 15,814,936,164 | 71,623 |
| Balance as at 31 March 2021 | 15,814,936,164 | 71,623 |

There was no change in the number of ordinary shares of the Company between 31 December 2020 and 31 March 2021.

There were no treasury shares and subsidiary holdings as at 31 March 2021 and 31 December 2020.

**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 31.03.2021** | **Company 31.12.2020** |
|---|---|---|
| Total number of issued shares excluding treasury shares | 15,814,936,164 | 15,814,936,164 |

There were no treasury shares during and as at end of the financial year ended 31 March 2021 and 31 December 2020.

**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) <u>Independent review on the recoverability of advances and/or loans and goodwill</u>

As announced by the Company on 30 March 2020, BDO LLP, which was appointed by the Company to conduct the independent review, has completed the independent review. The Company has formulated its response and proposal to address the issues raised, and implemented some of the recommendations proposed in the independent review report. The Company has submitted a report to SGX in relation to this and will provide updates to shareholders in due course and at the appropriate juncture.

(ii) <u>Consolidation of financial statement – iMyth Taiwan Limited</u>

China iMyth Company Pte Ltd, a 51% subsidiary of the Company, had on 26 March 2021, completed the disposal of its 100% shareholding interest in iMyth Taiwan Limited, a wholly-owned subsidiary of China iMyth and an indirect subsidiary of the Company, to Lin Hongtu, a nominee of Dr Chung Yih-Chen.

(iii) <u>Existence and completeness of cash and bank balances</u>

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 had 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 Para 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**

(i) Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2020 and which the Group has not early adopted.

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. There was no significant impact to the Group rising from applying these amendments.

(ii) Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2021 and which the Group has not early adopted.

**Amendments to SFRS(I) 1-1 Presentation of Financial Statements:**

Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

**Amendments to SFRS(I) 1-16 Property, Plant and Equipment:** Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

**Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets:** Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

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 | |
|---|---|---|
| | 3 months ended | |
| | **31.03.2021 Unaudited** | **31.03.2020 Unaudited** |
| Basic (Singapore cents) (1) | (0.005) | (0.006) |
| Diluted (Singapore cents) (2) | (0.005) | (0.006) |

**Notes**:

1 The calculation of loss per ordinary share is based on the Group's loss attributable to equity holders of the Company of S$727,000 for 1Q2021 (31 March 2020: S$1,004,000) divided by the weighted average number of shares 15,814,936,164 shares (31 March 2020: 15,741,171,947 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 | |
|---|---|---|---|---|
| | **31.03.2021 Unaudited** | **31.12.2020 Unaudited** | **31.03.2021 Unaudited** | **31.12.2020 Unaudited** |
| Net assets (S$'000) | 2,912 | 3,882 | 4,171 | 4,596 |
| Number of ordinary shares in issue ('000) | 15,814,936 | 15,814,936 | 15,814,936 | 15,814,936 |
| Net assets/(liabilities) value per ordinary share (Singapore cents) | 0.02 | 0.02 | 0.03 | 0.03 |

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

| | 1Q2021 | 1Q2020 | Variance | |
|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | % |
| Trading & distribution | 75 | 76 | (1) | (1%) |
| Medical aesthetics | 1,795 | 1,526 | 269 | 18% |
| Total | 1,870 | 1,602 | 268 | 17% |

The Group's revenue from its trading and distribution business for 1Q2021 was S$0.075 million, a decrease of 1% or S$0.001 million as compared to the revenue of S$0.076 in the previous corresponding financial period ended 31 March 2020.

The medical aesthetic segment recorded revenue of S$1.795 million for 1Q2021, an increase of S$0.269 million compared to 1Q2020 of S$1.562 million. The increase is mainly due to contribution from newly incorporated entities in 2020 that had started operations and generating revenue.

ii) Cost of sales

The cost of sales is in respect to the trading and distribution and medical aesthetics business. The increase in cost of sales is in line with the increase in revenue.

iii) Gross profit

As a result of the abovementioned, the Group's gross profit from operations increased by 34% or S$0.222 million from S$0.659 million in 1Q2020 to S$0.881 million in 1Q2021. The increase is mainly due to those newly incorporated entities which have commenced operations and generated revenue that has resulted in increased gross profit.

iv) Other income

Other income increased by S$0.017 million from S$0.048 million in 1Q2020 to S$0.065 million in 1Q2021 mainly due to increase in government grant. The Group had received S$0.011 million from Job Support Scheme in Singapore and its subsidiaries in Malaysia had received S$0.027 million wages subsidy from the Malaysian government in 1Q2021. The increase is offset by absence of rental income and fixed deposit interest income in 1Q2021 which amounted to S$0.009 million and S$0.004 million respectively in 1Q2020.

v) Administrative expenses

Administrative expenses decreased by S$0.049 million from S$1.879 million in 1Q2020 to S$1.830 million in 1Q2021. The administrative expenses incurred during the period ended 31 March 2021 are mainly operational costs, including staff costs, directors' remunerations and professional fees. The decrease was mainly due to one-off consultancy fee of S$0.045 million incurred in 1Q2020.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by S$0.163 million or 49% from S$0.336 million in 1Q2020 to S$0.499 million in 1Q2021 mainly additions of property, plant and equipment comprising primarily medical equipment.

Foreign exchange loss

Foreign exchange loss decreased by S$0.002 million or 100% from S$0.002 million in 1Q2020 to S$Nil million in 1Q2021 mainly due to absence of foreign currencies exchange difference for Taiwan dollar as the disposal of subsidiary corporation, iMyth Taiwan Limited, had been completed in 1Q2021.

vi) Finance expenses

Finance expenses increased by S$0.008 million or 20% from S$0.041 million in 1Q2020 to S$0.049 million in 1Q2021. The increase is mainly due to increase in interest expense on lease of S$0.007 million or 26% from S$0.027 million in 1Q2020 to S$0.034 million in 1Q2021 due to full year of interest expense on additions of lease liabilities.

vii) Income tax credit

Income tax credit increased by S$0.037 million from S$0.032 million in 1Q2020 to S$0.069 million in 1Q2021. The increase was mainly due to income tax credit arising from deferred tax liabilities from fair value adjustments to the intangible assets and property, plant and equipment of Beverly Wilshire Medical Centre Group in Malaysia.

**Review of the Financial Position of the Group**

viii) Assets

Total assets of the Group decreased by S$0.032 million from S$12.762 million as at 31 December 2020 to S$12.730 million as at 31 March 2021 mainly due to:

- decrease in property, plant and equipment of S$0.274 million mainly due to depreciation of S$0.499 million in 1Q2021 and offset by additions in property, plant and equipment amounting to S$0.238 million; and

- decrease in intangible assets of S$0.096 million due to amortization of intangible assets of S$0.096 million in 1Q2021;

- offset by increase in cash and cash equivalents, trade and other receivables and inventories of S$0.292 million, S$0.021 million and S$0.025 million respectively.

ix) Liabilities

Total liabilities increased by S$0.938 million from S$8.880 million as at 31 December 2020 to S$9.818 million as at 31 March 2021 mainly due to:

- increase in trade and other payables of S$0.773 million mainly due to increase in accruals for operating expenses of S$0.519 million and increase in advances from customers of S$0.279 million; and

- increase in borrowings of S$0.444 million mainly arising from increase in finance leases, invoice financing, loan from a third party and loan from a related company, BBSB, of S$0.200 million, S$0.130 million, S$0.090 million and S$0.090 million respectively and offset by repayment of borrowings of S$0.081 million;

- offset by decrease in lease liabilities of S$0.210 million due to repayment of lease liabilities; and

- decrease in deferred income tax liabilities arising from fair value adjustments to the intangible assets and property, plant and equipment of Beverly Wilshire Medical Centre Group in Malaysia of S$0.069 million due to recognition as deferred tax credit in the income statement in 1Q2021.

x) Negative working capital

As at 31 March 2021, the Group's total assets exceeded its total liabilities by S$2.912 million; however, the Group had negative working capital of S$1.230 million mainly due to the current portion of lease liabilities (office and medical centre) amounting to S$0.726 million as at 31 March 2021. The Group had adopted SFRS(I) 16 from 1 January 2019 whereby non-cancellable operating lease payments were recognized as liabilities on the balance sheet. 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:

(i) The Company's wholly-owned subsidiary JCG-Beverly Pte Ltd ("**JCGB**") had on 24 January 2020, formed a strategic joint venture with Natasha Skincare (Malaysia) Sdn Bhd ("**NSC**") under a special purpose vehicle, Natasha Beverly Sdn Bhd ("**NBSB**"). NBSB's principal activities are 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. Since its formation, NBSB has contributed revenue to the Group and has also been involved in the following corporate expansion exercises, including establishing aesthetics and dental clinics within the Natasha Beverly Medical Centre:

- NBSB 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. NBSB had on 21 August 2020 entered into a non-binding term sheet and on 24 August 2020 entered into a supplemental letter (collectively, the "**DS Term Sheet**") with DS to establish a joint venture for the purposes of providing healthy aging, regenerative medicine and health screening services. On 28 December 2020, NBSB and DS had entered into an extension letter whereby both parties mutually agreed that the long-stop date for signing of the definitive agreement shall be extended to 31 July 2021 from a previously agreed date of 31 December 2020.

- NBSB had on 11 August 2020, incorporated a 56% owned subsidiary, Natasha Beverly Aesthetics Sdn. Bhd. ("**NBASB**"). NBSB had on 1 January 2021 entered into a non-binding term sheet (the "NBASB Term Sheet") with Beverly Bangsar Sdn. Bhd. ("**BBSB**") and on 15 February 2021, signed the definitive agreement with BBSB to establish a joint venture using NBASB as the joint venture company for the purposes of providing aesthetic medicine and related services.

- NBSB and Beverly Wilshire Aesthetic Dental Centre Sdn Bhd ("**BWAD**"), subsidiaries of the Company, had on 15 April 2021 entered into a definitive agreement with Dr Arlena and Rajinderpal Singh A/L Nantam Singh ("**Dr. Ryan**") to establish a joint venture company in Malaysia to be known as "Natasha Beverly Dental" for the purposes of providing aesthetic dental services.

(ii) JCGB had on 7 April 2020, incorporated an SPV, Beverly Ipoh Sdn Bhd ("**BISB**") 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 (the "**BISB Term Sheet**") with Dr Elaine to establish a joint venture for the purposes of providing aesthetic medicine procedures. The BISB 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 BISB Term Sheet**") with Dr Elaine for the proposed transaction. The New BISB Term Sheet had lapsed on 29 June 2020. Subsequent to the lapse of the New BISB Term Sheet and pursuant to further discussions between JCGB and Dr Elaine, JCGB had on 7 September 2020 entered into a joint venture agreement with Dr Elaine; and (b) a shareholders' agreement with Dr Elaine, Howard Ng How Er and BISB, each in relation to the proposed transaction. BISB is part of the Group's expansion plans to open clinics in the other states of Malaysia, other than Kuala Lumpur and Johor. Since its formation, BISB has been contributing revenue to the Group.

(iii) JCGB had on 15 April 2021 entered into a definitive agreement with Arlena Philip Lee ("**Dr. Arlena**") and Klinik Pergigian Dentistree ("**Dentistree**") to, inter alia, establish a joint venture company in Malaysia to be known as "Beverly Dentistree" for the purposes of providing aesthetic dental services.

(b) Fund raising exercises:

(i) 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 with the Malaysian bank in relation to the grant of banking facilities of up to RM7 million to BWMC.

(ii) The Company had, on 13 April 2021, obtained the approval-in-principle (the "**AIP**") from the SGX-ST in respect of the listing and quotation of up to 5,871,183,766 new ordinary shares (the "**Rights Shares**") at an issue price of S$0.001 for each Rights Share; up to 5,871,183,766 free detachable warrants (the "**Warrants**"), each Warrant carrying the right to subscribe for one new share (the "**Warrant Shares**") at an exercise price of S$0.001 for each Warrant Share; and up to 5,871,183,766 Warrant Shares to be issued credited as fully-paid upon exercise of the Warrants.

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. 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 Flow Statement of the Group

xi) Cash flow

Net cash generated from operating activities in 1Q2021 amounted to S$0.346 million. The operating cash outflows before movement in working capital was S$0.381 million. The net cash inflows from the changes in working capital of approximately S$0.727 million was mainly due to increase in trade and other payables of S$0.773 million. The increase in net cash generated from operating activities in 1Q2021 compared to 1Q2020 was mainly due to decrease in total loss which has been explained under “review of the income statement of the Group” and offset by the higher changes in working capital of S$0.727 million in 1Q2021 compared to S$0.566 million in 1Q2020.

Net cash used in investing activities for 1Q2021 amounted to S$0.238 million due to the purchase of property, plant and equipment; in particular, NBSB purchased a laser machine for S$0.211 million in January 2021.

Net cash generated from financing activities for 1Q2021 amounted to S$0.170 million due to proceeds from borrowings, proceeds from finance lease and proceeds from bank overdraft of S$0.180 million, S$0.211 million and S$0.131 million respectively and offset by repayment of lease liabilities, repayment of finance lease and repayment of borrowings of S$0.244 million, S$0.012 million, and S$0.081 million respectively.

As a result of the increase in net cash used in operating activities and decrease in net cash generated from financing activities in 1Q2020 compared to FY2020, cash and cash equivalents were S$0.361 million as at 31 March 2021 as compared to S$0.083 million as at 31 December 2020.

**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 since the beginning of financial year ended 31 December 2020. The Group is cognisant of the challenges posed by these developing events, in particular, the MCO in Malaysia, as well as the cross-border lockdowns in Malaysia on entry to Malaysia by foreigners, and the potential impact they have on our business sector. For example, due to the cross-border lockdowns in Malaysia, business from overseas clients coming into Malaysia has been affected. 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

<u>Formation of Strategic Joint Venture with NSC</u>

JCGB had on 24 January 2020, incorporated an SPV, NBSB, for the purposes of forming a strategic joint venture with NSC. The joint venture's principal activities will include a medical aesthetics clinic and other health maintenance procedures such as medi-spa, chiropractor and physiotheraphy. Natasha Skincare is a leading beauty brand in Indonesia with more than 100 outlets. Since its formation, NBSB has contributed revenue to the Group and has also been involved in the following corporate expansion exercises, including establishing aesthetics and dental clinics within the Natasha Beverly Medical Centre:

- NBSB had on 15 July 2020 incorporated an SPV, DS Beverly, for the purposes of entering into a strategic joint venture with DS, who is an unrelated third party. The joint venture's principal activities include healthy aging, regenerative medicine and health screening services. NBSB had on 21 August 2020 entered into the DS Term Sheet with DS to establish a joint venture for the purposes of providing healthy aging, regenerative medicine and health screening services. On 28 December 2020, NBSB and DS had entered into an extension letter whereby both parties mutually agreed that the long-stop date for signing of the definitive agreement shall be extended to 31 July 2021 from a previously agreed date of 31 December 2020.

- NBSB had on 11 August 2020, incorporated a 56% owned subsidiary, NBASB. NBSB had on 1 January 2021 entered into the NBASB Term Sheet with BBSB and on 15 February 2021, signed the definitive agreement with BBSB to establish a joint venture using NBASB as the joint venture company for the purposes of providing aesthetic medicine and related services.

- NBSB and BWAD, subsidiaries of the Company, had on 15 April 2021 entered into a definitive agreement with Dr Arlena and Dr Ryan to establish a joint venture company in Malaysia to be known as "Natasha Beverly Dental" for the purposes of providing aesthetic dental services.

Formation of Strategic Joint Venture with Dr Elaine

JCGB had on 7 April 2020, incorporated an SPV, BISB, for the purposes of entering into a strategic joint venture with Dr Elaine. The joint venture's principal activities are aesthetic medicine and related activities. JCGB had on 23 April 2020 entered into the BISB Term Sheet with Dr Elaine to establish a joint venture for the purposes of providing aesthetic medicine procedures. The BISB Term Sheet had lapsed on 14 May 2020. Subsequently, JCGB had on 8 June 2020 entered into the New BISB Term Sheet with Dr Elaine for the proposed transaction. The New BISB Term Sheet had lapsed on 29 June 2020. Subsequent to the lapse of the New BISB Term Sheet and pursuant to further discussions between JCGB and Dr Elaine, JCGB had on 7 September 2020 entered into a joint venture agreement with Dr Elaine; and (b) a shareholders' agreement with Dr Elaine, Howard Ng How Er and BISB, each in relation to the proposed transaction. BISB is part of the Group's expansion plans to open clinics in the other states of Malaysia, other than Kuala Lumpur and Johor. Since its formation, BISB has been contributing revenue to the Group.

Formation of Strategic Joint Venture with Dr Arlena

JCGB had on 15 April 2021 entered into a definitive agreement with Dr Arlena and Dentistree to, inter alia, establish a joint venture company in Malaysia to be known as "Beverly Dentistree" for the purposes of providing aesthetic dental services.

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.

(ii) Fund Raising

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, on 13 April 2021, obtained the AIP from the SGX-ST in respect of the listing and quotation of up to 5,871,183,766 Rights Shares at an issue price of S$0.001 for each Rights Share; up to 5,871,183,766 Warrants, each Warrant carrying the right to subscribe for one Warrant Shares at an exercise price of S$0.001 for each Warrant Share; and up to 5,871,183,766 Warrant Shares to be issued credited as fully-paid upon exercise of the Warrants.

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 18% from S$1.526 million to S$1.795 million. The Group's administrative expenses decreased 3% from S$1.879 million to S$1.830 million. The decrease was mainly due to one-off consultancy fee of S$0.045 million incurred in 1Q2020. The net loss attributable to equity holders of the Company for the financial period ended 31 March 2021 decreased 28% from S$1.004 million to S$0.727 million. The Group's net asset value per ordinary share has maintained positive at S$0.02 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 31 March 2021.

## 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 does not have a general mandate from shareholders for IPTs.

BBSB is a company incorporated in Malaysia and its principal business is the operation of an aesthetic clinic. Dato' Ng Tian Sang @ Ng Kek Chuan and his two sons, Howard Ng How Er and Alexander Ng Zhonglie hold 63% shareholdings in BBSB. Howard Ng How Er and Alexander Ng Zhonglie are also directors of BBSB.

The aggregate value of all transactions (including transactions that are less than S$100,000) entered into between the Group and BBSB for the financial period ended 31 March 2021 amounted to approximately S$40,000. This represents 0.48% of the Group's latest audited net tangible assets as at 31 December 2019 of S$8,345,000, which is below the relevant threshold of 3.0% under Rule 905(2) of the Catalist Rules. Notwithstanding the interested party transactions, the aggregate amount if offset will be S$28,000.

Other than the above, the Group did not enter into any IPT of S$100,000 or more in value per transaction for 1Q2021.

**15. Use of Proceeds**

Not applicable.

**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**

**7 May 2021**