



JCG INVESTMENT HOLDINGS LTD

Company Registration No. 200505118M

JCG INVESTMENT HOLDINGS LTD

FULL YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 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 & Q4), 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 12 months ended		Increase/ (Decrease)
	31.12.19 Unaudited S\$'000	31.12.18 Unaudited S\$'000		31.12.19 Unaudited S\$'000	31.12.18 Audited S\$'000	
Revenue	1,594	219	628%	3,179	1,658	92%
Cost of Sales	(923)	(60)	1438%	(1,987)	(808)	146%
Gross Profit	671	159	322%	1,192	850	40%
Gross Profit Margin	42%	73%		37%	51%	
Other income	27	22	23%	39	42	(7%)
Other gains/(losses) - net	52	-	100%	19	9	111%
Selling and distribution expenses	(62)	(52)	19%	(110)	(184)	(40%)
Administrative expenses	(1,439)	(347)	315%	(3,890)	(2,042)	90%
Finance expenses	(43)	(159)	(73%)	(241)	(647)	(63%)
Loss for the financial period/year before income tax	(794)	(377)	111%	(2,991)	(1,972)	52%
Income tax expense	23	(20)	215%	(3)	(19)	(84%)
Net loss	(771)	(397)	94%	(2,994)	(1,991)	50%
Other comprehensive loss:						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation income/(loss)	(38)	(95)	(60%)	(8)	(161)	(95%)
Other comprehensive income/(loss), net of tax	(38)	(95)	(60%)	(8)	(161)	(95%)
Total comprehensive loss	(809)	(492)	64%	(3,002)	(2,152)	39%
Loss attributable to:						
Equity holders of the Company	(635)	(458)	39%	(2,835)	(2,038)	39%
Non-controlling interests	(136)	61	(323%)	(159)	47	438%
Net loss for the financial period/year	(771)	(397)	94%	(2,994)	(1,991)	50%
Loss attributable to:						
Equity holders of the Company	(669)	(558)	20%	(2,841)	(2,197)	29%
Non-controlling interests	(140)	66	312%	(161)	45	458%
Total comprehensive loss for the financial period/year	(809)	(492)	64%	(3,002)	(2,152)	39%

Notes to Consolidated Statement of Comprehensive Income

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	3 months ended			12 months ended		
	31.12.19 Unaudited S\$'000	31.12.18 Unaudited S\$'000		31.12.19 Unaudited S\$'000	31.12.18 Unaudited S\$'000	
Interest expense of borrowings	(13)	(117)	(89%)	(50)	(477)	(90%)
Interest expense of lease	(29)	-	100%	(39)	-	100%
Amortisation of intangible assets	(53)	-	100%	(53)	-	100%
Amortisation of right-of-use assets	(145)	-	100%	(190)	-	100%
Depreciation of property, plant and equipment	(120)	(5)	2300%	(153)	(48)	219%
Rental income	12	-	100%	19	-	100%
Fixed deposit interest income	3	-	100%	7	-	100%
Share options adjustment	112	-	100%	253	-	100%
Share award under JCG share performance plan	-	-	-	(285)	-	100%
Unwinding of imputed interest	-	(42)	(100%)	(151)	(170)	(11%)
Write off of property, plant and equipment	-	(5)	(100%)	-	(5)	(100%)
Foreign exchange gain	75	57	32%	59	58	2%

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 31.12.19 Unaudited S\$'000	As at 31.12.18 Audited S\$'000	As at 31.12.19 Unaudited S\$'000	As at 31.12.18 Audited S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	1,354	1,613	114	347
Trade and other receivables	1,945	620	289	46
Inventories	538	-	-	-
Total current assets	3,837	2,233	403	393
Non-current assets				
Investment in subsidiary corporations	-	-	7,203	352
Property, plant and equipment	6,781	31	316	4
Intangible assets	5,657	-	-	-
Total non-current assets	12,438	31	7,519	356
Total assets	16,275	2,264	7,922	749
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	2,767	4,054	900	4,245
Borrowings	1,020	3,493	450	-
Lease liabilities	793	-	124	-
Current income tax payable	128	40	-	-
Total current liabilities	4,708	7,587	1,474	4,245
Non-current liabilities				
Borrowings	103	-	-	-
Trade and other payables	180	-	180	-
Lease liabilities	2,251	-	188	-
Deferred income tax liabilities	688	-	-	-
	3,222	-	368	-
Total liabilities	7,930	7,587	1,842	4,245
Net assets/ (liabilities)	8,345	(5,323)	6,080	(3,496)
Capital and reserves attributable to equity holders of the Company				
Share capital	67,460	53,871	67,460	53,871
Other reserves	5,245	3,775	5,261	3,785
Accumulated losses	(65,941)	(63,106)	(66,641)	(61,152)
Share capital and reserves	6,764	(5,460)	6,080	(3,496)
Non-controlling interests	1,581	137	-	-
Total equity	8,345	(5,323)	6,080	(3,496)

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

Amount repayable in one year or less, or on demand

	As at 31.12.19 Unaudited		As at 31.12.18 Audited	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(i) Loan facilities ^(a)	-	-	3,493	-
(ii) Finance leases ^(b)	21	16	-	-
(iii) Bank loan	-	82	-	-
(iv) Bank overdraft ^(c)	901	-	-	-

Amount repayable after one year

	As at 31.12.19 Unaudited		As at 31.12.18 Audited	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(i) Loan facilities ^(a)	-	-	-	-
(ii) Finance leases ^(b)	-	-	-	-
(iii) Bank loan	-	103	-	-

Details of any collateral

- (a) Approximately S\$3.493 million (HK\$20 million) loan borrowed by the Company's wholly owned subsidiary, CMIC Hemodialysis (Hong Kong) Limited, is secured by a corporate guarantee granted by the Company and a deed of guarantee granted by one of the Company's shareholders, Dato Dr Choo Yeow Ming.

The loan has been fully settled in January 2019 through the S\$4.0 million proceeds raised from a share subscription, as announced on 26 August 2018 and approved by shareholders on 31 December 2018.

- (b) Finance leases are secured by the motor vehicle acquired under the lease arrangement.

- (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.

(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		12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000	Audited S\$'000
Net loss	(771)	(397)	(2,994)	(1,991)
Cash flows from operating activities				
Adjustment for:				
Income tax expense	(23)	20	3	19
Amortisation of right-of-use assets	145	-	190	-
Amortisation of intangible assets	53	-	53	-
Depreciation of property, plant and equipment	120	5	153	48
Introducer fees	355	-	355	-
Write off of property, plant and equipment	-	5	-	5
Share options adjustment	(112)	-	(253)	(2)
Share award under JCG share performance plan	-	-	285	-
Gain on deconsolidation of subsidiary corporations	(53)	-	(19)	-
Unwinding of imputed interest	-	42	151	170
Unrealised currency translation gain/(loss)	(24)	(97)	3	(89)
Interest income	-	-	-	(9)
Interest expense	42	117	89	477
Operating cash flows before movements in working capital, net of effects from acquisition and disposal of subsidiary corporations	(268)	(305)	(1,984)	(1,372)
Trade and other receivables	1,016	(208)	1,634	(70)
Inventories	108	47	108	44
Trade and other payables	(1,403)	(42)	(879)	(417)
Cash used in operations	(547)	(508)	(1,121)	(1,815)
Income tax paid	(12)	-	(120)	(4)
Interest income	-	-	-	9
Net cash used in operating activities	(559)	(508)	(1,241)	(1,810)
Cash flow used in investing activities				
Purchase of property, plant and equipment	(32)	(1)	(82)	(8)
Acquisition of subsidiary corporations, net of cash acquired	192	-	341	-
Net cash provided by/(used in) investing activities	160	(1)	259	(8)

	Group			
	3 months ended		12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000	Audited S\$'000
Cash flows from financing activities				
Proceeds from issuance of new shares	-	-	4,500	-
Proceeds from conversion of warrants	-	-	8	61
Increase in bank overdraft	51	-	51	-
Bank deposit discharged	-	-	-	503
Fixed deposit placement	-	-	(750)	-
Repayment of lease liability	(163)	-	(207)	-
Repayment of borrowings	(19)	-	(3,544)	-
Repayment of finance lease	(35)	-	(35)	-
Interest paid	(13)	(117)	(50)	(477)
Net cash (used in)/ provided by financing activities	(179)	(117)	(27)	87
Net decrease in cash and cash equivalents	(578)	(626)	(1,009)	(1,731)
Cash and cash equivalents at the beginning of the financial period/year	1,183	2,240	1,613	3,344
Effect of currency translation on cash and cash equivalents	(1)	(1)	-*	-*
End of the financial period/year	604	1,613	604	1,613

*Less than S\$1,000

Represented by:

	Group			
	3 months ended		12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000	Audited S\$'000
Cash at bank and on hand	604	1,613	1,354	1,613
Less: bank deposits pledged	-	-	(750)	-
Cash and cash equivalents per consolidated statement cash flows	604	1,613	604	1,613

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
Audited								
Balance as at 01.01.2018	53,645	149	(61,068)	280	3,672	(3,322)	92	(3,230)
Conversion of warrants	75	-	-	-	(14)	61	-	61
Expiry of warrants	151	-	-	-	(151)	-	-	-
Share option lapsed	-	-	-	(2)	-	(2)	-	(2)
Total comprehensive loss for the financial year	-	-	(2,038)	-	-	(2,038)	47	(1,991)
Other comprehensive loss	-	(159)	-	-	-	(159)	(2)	(161)
Balance as at 31.12.2018	53,871	(10)	(63,106)	278	3,507	(5,460)	137	(5,323)

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	8,354	-	-	-	-	8,354	-	8,354
Acquisition of subsidiary corporations	6,671	-	-	-	-	6,671	1,687	8,358
Share award under JCG share performance plan	285	-	-	-	-	285	-	285
Share options adjustment	-	-	-	(253)	-	(253)	-	(253)
Warrants adjustments	(1,734)	-	-	-	1,734	-	-	-
Total comprehensive loss for the financial year	-	-	(2,835)	-	-	(2,835)	(159)	(2,994)
Other comprehensive loss	-	(6)	-	-	-	(6)	(2)	(8)
Deconsolidation of subsidiary corporations	-	-	-	-	-	-	(82)	(82)
Balance as at 31.12.2019	67,460	(16)	(65,941)	25	5,236	6,764	1,581	8,345

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
Audited					
Balance as at 01.01.2018	53,645	(58,679)	280	3,672	(1,082)
Conversion of warrants	75	-	-	(14)	61
Expiry of warrants	151	-	-	(151)	-
Share option lapsed	-	-	(2)	-	(2)
Total comprehensive loss for the financial year	-	(2,473)	-	-	(2,473)
Balance as at 31.12.2018	53,871	(61,152)	278	3,507	(3,496)
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	8,354	-	-	-	8,354
Acquisition of subsidiary corporations	6,671	-	-	-	6,671
Share options adjustment	-	-	(253)	-	(253)
Share award under JCG share performance plan	285	-	-	-	285
Warrants adjustments	(1,734)	-	-	1,734	-
Total comprehensive loss for the financial year	-	(5,489)	-	-	(5,489)
Balance as at 31.12.2019	67,460	(66,641)	25	5,236	6,080

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 2018	8,812,778,946	53,871
Balance as at 31 December 2019	15,383,882,179	67,460

On 10 January 2019, the Company had completed:

- (i) Consolidation of every 2 existing ordinary shares in the capital of the Company into 1 consolidated share (“Share Consolidation”);
- (ii) Allotment and issuance of up to 3,214,285,714 consolidated shares pursuant to the conversion of the deferred payment liability of S\$3.5 million (“Deferred Liability Conversion”);
- (iii) Placement of 2,857,142,857 consolidated shares in the capital of the company at an issue price of S\$0.0014 for each share (“Share Subscription”), with up to 952,380,952 investment warrants, each carrying the right to subscribe for 1 consolidated share in the capital of the company at an exercise price of S\$0.0014 for each new consolidated share (“Share Subscription”); and
- (iv) Allotment and issuance of 142,857,143 Introducer Shares at an issue price of S\$0.0014 to the Introducer (“Introducer Shares Issue”).

Post-completion of the Share Consolidation, the total number of shares of the Company decreased from 8,812,778,946 to 4,406,389,409. Following the completion of the Deferred Liability Conversion, Share Subscription and Introducer Shares Issue, the total number of shares in the Company increased to 10,620,675,123.

Following the completion of the Share Consolidation on 10 January 2019, there were 2,800,719,993 free detachable warrants (“2017 Warrants”) pursuant to the 2017 Rights cum Warrants Issue. 3,801,500 2017 Warrants were exercised during 1Q2019 and no warrants were exercised during 2Q2019, 3Q2019 & 4Q2019. As at 31 December 2019, there were 2,796,918,493 (30 December 2018: 5,601,440,009) 2017 Warrants which may be exercisable into 2,796,918,493 (31 December 2018: 5,601,440,009) ordinary shares of the Company.

Pursuant to the 2017 Rights cum Warrants Issue, the exercise prices of share options granted on 2 May 2008, 20 June 2008 and 2 October 2014 were adjusted to S\$0.01 and an additional 158,393,000 employee share options were granted. Accordingly, the Company had 262,343,000 outstanding employee share options after the 2017 Rights cum Warrants Issue. Following the completion of the Share Consolidation on 10 January 2019, there were 156,423,000 outstanding employee shares options. During the financial year ended 31 December 2019, no employee share options were exercised. During 2Q2019, 39,749,000 employee share options had lapsed due to expiry of the employee share options. As at 31 December 2019, the Company had

38,487,500 (31 December 2018: 258,182,000) outstanding employee share options exercisable into 38,487,500 (31 December 2018: 258,182,000) ordinary shares of the Company.

Pursuant to completion of the 100% acquisition of Brand X Lab Pte Ltd on 15 April 2019, 1,861,111,111 ordinary shares of the Company were issued at the issue price of S\$0.0018 per share. Accordingly, the total number of shares of the Company increased to 12,485,587,734 shares.

Pursuant to the Subscription Agreement dated 16 May 2019 between the Company and Dato' Ng Tian Sang @ Ng Kek Chuan, the Company had, on 18 July 2019, completed the allotment and issuance to Dato' Ng Tian Sang @ Ng Kek Chuan of 250,000,000 ordinary shares at an issue price of S\$0.002 and 250,000,000 investment warrants, each convertible into one ordinary share at an exercise price of S\$0.0018. Accordingly, the total number of ordinary shares of the Company increased from 12,485,587,734 shares to 12,735,587,734 shares.

Pursuant to the vesting of the share award under the JCG Share Performance Plan, the Company had allotted and issued 284,444,445 new ordinary shares on 27 September 2019 (the "Award Shares"). Following the issuance and allotment of the Award Shares, the total number of issued and paid-up ordinary shares of the Company increased from 12,735,587,734 to 13,020,032,179 shares.

Pursuant to completion of the acquisition of Beverly Wilshire Medical Centre Group on 7 Nov 2019, 2,295,000,000 ordinary shares of the Company were issued to the vendors at the issue price of S\$0.002 per share and 68,850,000 introducer shares were issued at the issue price of S\$0.002 per share. Accordingly, the total number of shares of the Company increased from 13,020,032,179 to 15,383,882,179 shares.

Save as disclosed above, the Company did not have any other convertibles as at 31 December 2019 and 31 December 2018.

There were no treasury shares and subsidiary holdings as at 31 December 2019 and 31 December 2018.

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	Company
	31.12.2019	31.12.2018
Total number of issued shares excluding treasury shares	15,383,882,179	8,812,778,946

There were no treasury shares during and as at end of the financial year ended 31 December 2019 and 31 December 2018.

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 Company will address the outstanding audit issues in the FY2019 Annual Report.

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 financial year as compared with the most recent audited financial statements of the Company for the financial year ended 31 December 2018 ("FY2018").

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

The Group has applied the SFRS(I) 16 which is mandatorily effective from 1 January 2019.

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group has applied SFRS(I) 16 using the modified retrospective method as of 1 January 2019 with no restatement of comparative information.

The Group adopted to measure the right-of-use assets to an amount equal to the lease liabilities related to that leases recognized in the statement of financial position as at 1 January 2019. In addition, the Group elected the following practical expedients:

- (a) not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- (b) to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019; and
- (c) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

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		12 months ended	
	31.12.2019 Unaudited	31.12.2018 Unaudited	31.12.2019 Unaudited	31.12.2018 Audited
Basic (Singapore cents) ⁽¹⁾	(0.005)	(0.005)	(0.023)	(0.023)
Diluted (Singapore cents) ⁽²⁾	(0.005)	(0.005)	(0.023)	(0.023)

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\$635,000 for 3 months period ended 31 December 2019 (31 December 2018: S\$458,000) and loss attributable to equity holders of the Company of approximately S\$2,835,000 for 12 months period ended 31 December 2019 (31 December 2018: S\$2,038,000) divided by the weighted average number of shares of 12,455,804,556 shares (31 December 2018: 8,809,901,374 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	
	31.12.19 Unaudited	31.12.18 Audited	31.12.19 Unaudited	31.12.18 Audited
Net assets/(liabilities) (S\$'000)	8,345	(5,323)	6,080	(3,496)
Number of ordinary shares in issue ('000)	15,383,882	8,812,779	15,383,882	8,812,779
Net assets/(liabilities) value per ordinary share (Singapore cents)	0.05	(0.06)	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

	4Q2019	4Q2018	Variance		FY2019	FY2018	Variance	
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	S\$'000	%
Trading and distribution	66	195	(129)	(66%)	416	1,331	(915)	(69%)
Medical aesthetics	1,372	24	1,348	5,617%	1,562	327	1,235	378%
Event organisation and management consultancy	156	-	156	100%	1,201	-	1,201	100%
Total	1,594	219	1,375	628%	3,179	1,658	1,521	92%

The Group's revenue from its trading and distribution business for FY2019 was S\$0.416 million, a decrease of 69% or S\$0.915 million as compared to the revenue of S\$1.331 million for FY2018.

The medical aesthetic segment recorded a revenue of S\$1.562 million for FY2019, an increase of 378% as compared to the revenue of S\$0.327 million for FY2018. The increase is mainly due to the newly acquired Beverly Wilshire Medical Centre Group in Malaysia which generated revenue of S\$1.319 million.

The event organisation and management consultancy segment, which is a new revenue segment generated by Brand X Lab Pte Ltd, generated revenue of S\$1.201 million in FY2019.

ii) Cost of sales

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 of FY2019 from operations increased by 40% or S\$0.342 million from S\$0.850 million in FY2018 to S\$1.192 million in FY2019. The increase was mainly due to the new revenue segment, event organisation and management consultancy business, which generated gross profit margin of S\$0.386 million in FY2019 and the newly acquired Beverly Wilshire Medical Centre Group in Malaysia which generated gross profit margin of S\$0.577 million. It was offset by decrease in trading and distribution segment in which the gross profit margin has decreased by S\$0.511 million.

iv) Other income

Other income decreased by S\$0.003 million from S\$0.042 million in FY2018 to S\$0.039 million in FY2019 mainly due to decrease in fixed deposit interest income and office rental income.

v) Other gains

Other gains increased by S\$0.010 million from S\$0.009 million in FY2018 to S\$0.019 million in FY2019 due to gain on deconsolidation of subsidiary corporations.

vi) Administrative expenses

Administrative expenses increased by S\$1.848 million from S\$2.042 million in FY2018 to S\$3.890 million in FY2019. The administrative expenses incurred in FY2019 are mainly operational costs, including staff costs, directors' remunerations and professional costs. The increase was mainly due to the one-off introducer fees of S\$0.286 million and S\$0.069 million arising from the corporate exercises completed on 10 January 2019 and acquisition of Beverly Wilshire Medical Centre Group completed on 7 November 2019 respectively, employees share performance expenses of S\$0.285 million and professional fees amounting to S\$0.342 million incurred for the corporate exercises including business acquisitions and subscription of new shares and warrants in FY2019. The increase was also due to operation costs amounting to S\$0.345 million and S\$0.715 million arising from the newly acquired subsidiaries, Brand X Lab Pte Ltd and Beverly Wilshire Medical Centre Group respectively.

vii) Finance expenses

Finance expenses decreased by S\$0.406 million or 63% from S\$0.647 million in FY2018 to S\$0.241 million in FY2019. The decrease mainly due to decrease in interest expenses of S\$0.448 million arising from the HK\$ 20 million loan which has been settled in January 2019 and decrease in unwinding of imputed interest expenses of S\$0.019 million as a result of the fair value adjustment on the deferred payment liability of S\$3.5 million which had been converted into share capital in January 2019. It was partially offset by interest expense of lease amounting to S\$0.039 million incurred in FY2019 and interest expenses of borrowings incurred by Brand X Lab Pte Ltd and Beverly Wilshire Medical Centre Group amounting to S\$0.021 million.

viii) Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by S\$0.105 million or 219% from S\$0.048 million in FY2018 to S\$0.153 million in FY2019 was mainly due to the depreciation generated from newly acquired subsidiaries, Brand X Lab Pte Ltd and Beverly Wilshire Medical Centre Group.

Review of the Financial Position of the Group

ix) Assets

Total assets of the Group increased by S\$14.011 million from S\$2.264 million as at 31 December 2018 to S\$16.275 million as at 31 December 2019.

This was mainly attributable to goodwill of S\$3.457 million, trade and other receivables of S\$0.633 million, and property, plant and equipment of S\$ 0.073 million arising from Brand X Lab Pte Ltd which was acquired in April 2019.

This was also attributable to goodwill of S\$0.831 million, trade and other receivables of S\$0.893 million, inventories of S\$0.538 million and property, plant and equipment of S\$ 6.577 million, intangible assets of S\$1.197 million arising from Beverly Wilshire Medical

Centre Group which was acquired in November 2019 and decrease in cash and cash equivalents of approximately S\$0.259 million due to cash used in operating activities as explained under paragraph xii below.

x) Liabilities

Total liabilities increased by S\$0.343 million from S\$7.587 million as at 31 December 2018 to S\$7.930 million as at 31 December 2019 due to the increase in the trade and other payables amounting to S\$0.125 million, bank borrowings amounting to S\$0.186 million, lease liabilities amounting to S\$0.047 million and income tax amounting to S\$0.121 million arising from Brand X Lab Pte Ltd which was acquired in April 2019.

The increase in liabilities was also due to the trade and other payables amounting to S\$1.514 million, bank borrowings amounting to S\$0.938 million, lease liabilities amounting to S\$2.685 million and deferred tax liabilities amounting to S\$0.659 million arising from Beverly Wilshire Medical Centre Group which was acquired in November 2019.

It was offset by conversion of the deferred payment liability of S\$3.5 million into share capital and repayment of HK\$20 million loan from Concorde Global Limited.

xi) Negative working capital

As at 31 December 2019, the Group had negative working capital of S\$0.871 million; however, the Group's total assets exceeded its total liabilities by S\$8.345 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) The Group had recently completed the acquisition of a controlling interest in Beverly Wilshire Medical Centre Group on 7 November 2019. In addition, the Company's wholly-owned subsidiary JCG-Beverly Pte Ltd has on 24 January 2020, formed a strategic joint venture with Natasha Skincare (Malaysia) Sdn Bhd under a SPV, Natasha Beverly Sdn Bhd. Barring any unforeseen circumstances, the Group expects these new subsidiaries to contribute positively to the Group's working capital position as explained in paragraph 11.
- (b) The Company recently raised a total of \$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 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.

Review of the Cash Flow Statements of the Group

xii) Cash flow

Net cash used in operating activities in FY2019 amounted to S\$1.241 million. The operating cash outflows before movement in working capital was S\$1.984 million. The net cash inflow from the changes in working capital net of effects from the acquisition of subsidiary corporations of approximately S\$0.863 million was mainly due to a decrease in trade and other receivables of S\$1.634 million, offset by decrease in trade and other payables of S\$0.879 million.

Net cash generated from investing activities for FY2019 amounted to S\$0.259 million mainly due to cash inflow on acquisition of subsidiary corporations.

Net cash used in financing activities for FY2019 amounted to S\$0.027 million due to fixed deposit placement, repayment of borrowings, lease liability, finance lease and interest paid of S\$0.750 million, S\$3.544 million, S\$0.207 million, S\$0.035 million and S\$0.050 million respectively and offset by proceeds from issuance of new shares of S\$4.500 million.

Cash and cash equivalents were S\$0.604 million as at 31 December 2019 as compared to S\$1.613 million as at 31 December 2018.

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 global medical aesthetic and related healthcare business is projected to have a steady growth over the next 5-7 years. JCG's subsidiary group of companies, Beverly Wilshire Medical Centre Group, should benefit from this projected steady growth.

With the current situation arising from COVID-19, Beverly Wilshire Medical Centre Group's business is also impacted like any other businesses. However, the Group is cautiously optimistic that the COVID-19 will quickly blow over and business will return to normal.

Acquisition of Beverly Wilshire Medical Centre Group

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 has on 24 January 2020, formed a strategic joint venture with Natasha Skincare (Malaysia) Sdn Bhd under a SPV, Natasha Beverly 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.

Private Placements

The Company recently raised a total of \$1,300,000 from private placements, of which \$500,000 was subscribed by our Chairman Dato' Francis Ng on 18 July 2019 and \$800,000 was subscribed by a few investors on 16 January 2020. The funds raised will be used to fund future expansion through mergers and acquisition and for the Company's working capital.

Financial Results and Position

The Group's year-on-year revenue increased 92% from \$1.658 million to \$3.179 million with only 2 months of revenue contribution from Beverly Wilshire Group. The Group's administrative expenses increased 90% from \$2.042 million to \$3.890 million due mainly to the one-off charges for the corporate exercises completed during the year. The net loss attributable to equity holders of the Company for the financial year increased 39% from \$2.038 million to \$2.835 million.

During the year, the Company had paid off 2 loans amounting to approximately \$7.000 million through a corporate exercise of cash injection of \$4.000 million and debt-to-equity conversion. The Group's net asset turned around from negative \$5.323 million to positive \$8.345 million. The Group's net asset value per ordinary share has improved from negative \$0.06 cents to positive \$0.05 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 year ended 31 December 2019.

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediate preceding year.

By Business Segment

31-Dec-19 (Unaudited)	Trading and distribution S\$'000	Aesthetics medical and healthcare S\$'000	Event organisation and management consultancy S\$'000	Investment and others S\$'000	Consolidated S\$'000
Revenue	416	1,562	1,201	-	3,179
Gross profit	47	759	386	-	1,192
Other income	8	6	-*	25	39
Other gains/losses-net	-	-	-	19	19
Administrative expenses	(60)	(1,047)	(345)	(2,438)	(3,890)
Selling and distribution expenses	(68)	(14)	(13)	(15)	(110)
Finance costs	-	(27)	(16)	(198)	(241)
Profit/ (loss) before taxation	(73)	(323)	12	(2,607)	(2,991)
Taxation	(23)	11	11	(2)	(3)
Profit/ (loss) for the financial year	(96)	(312)	23	(2,609)	(2,994)
Attributable to:					
Equity holders of the Company					(2,835)
Non-controlling interest					(159)
					(2,994)
<u>Other information</u>					
Depreciation of property, plant and equipment	-*	124	14	15	153
Amortisation of right-of-use assets	-	97	30	63	190
Amortisation of intangible assets	-	-*	53	-	53
Interest expense of borrowings	-	10	11	29	50
Interest expense of lease	-	17	4	18	39
Unwinding of imputed interest	-	-	-	151	151
Additions of property, plant and equipment	2	29	13	38	82
<u>Assets and liabilities</u>					
Segment assets	851	10,305	4,577	542	16,275
Consolidated total assets					16,275
Segment liabilities	35	5,968	508	1,419	7,930
Consolidated total liabilities					7,930

* Less than S\$1,000

Trading and distribution: Trading and distribution of steel raw materials, consumables, instruments and semi-finished products for steel mills, iron and steel foundries and aluminium smelters in the Asia-Pacific region and provision of ancillary services.

Aesthetic medical and healthcare: Provision of aesthetic medical services includes the provision of aesthetic medical, beauty and wellness services.

Event organisation and management consultancy: Provision of event organisation and management consultancy business.

Investment and others: Business of investment holding, provision of management services and provision of marketing, distribution and related services.

By Business Segment

	Trading and distribution	Aesthetics medical and healthcare	Investment and others	Consolidated
31-Dec-18 (Audited)	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	1,331	327	-	1,658
Gross profit	558	292	-	850
Other income	6	33	3	42
Other gains/(losses) – net	-	-	9	9
Administrative expenses	(164)	(189)	(1,689)	(2,042)
Selling and distribution expenses	(184)	-	-	(184)
Finance costs	-	-	(647)	(647)
Profit/ (Loss) before taxation	216	136	(2,324)	(1,972)
Taxation	(14)	(5)	-	(19)
Profit/ (Loss) for the year	202	131	(2,324)	(1,991)
Attributable to:				
Equity holders of the Company				(2,038)
Non-controlling interest				47
				(1,991)
<u>Other information</u>				
Depreciation of property, plant and equipment	1	38	9	48
Additions of property, plant and equipment	-	-	8	8
<u>Assets and liabilities</u>				
Segment assets	1,344	485	435	2,264
Consolidated total assets				2,264
Segment liabilities	82	172	7,333	7,587
Consolidated total liabilities				7,587

Geographical information

The Group's three major business segments operate in three main geographical areas:

Singapore – the Company is headquartered and has operations in Singapore. The operations in this area is principally investment holding and trading and distribution of steel mill consumable products.

Malaysia – the operations in this area are principally the provision of aesthetics medical services and trading and distribution of steel mill consumable products;

Republic of China, Taiwan and People's Republic of China – the operations in these areas are principally the provision of aesthetic medical services.

	<u>Group</u>	
	31.12.19	31.12.18
<u>Revenue</u>	S\$'000	S\$'000
Singapore	1,201	307
Malaysia	1,735	1,024
Republic of China, Taiwan and People's Republic of China	243	327
	<u>3,179</u>	<u>1,658</u>

15. In the review of performance, the factors leading to any material changes in contributions to turn over and earnings by the operating segments.

The Group's current financial year revenue for medical aesthetic segment has increased significantly due to the newly acquired medical aesthetic business in Malaysia. This acquisition of Beverly Wilshire Medical Centre Group is part of the Group's overall strategic plan to rebuild our Health Business. The Group has the potential to expand its medical aesthetics and healthcare business as the medical aesthetics and healthcare businesses remains an industry segment in Greater China and South East Asia with strong growth potential. With Beverly Wilshire Medical Centre Group, the Group will cement our efforts to expand and build our businesses in Singapore, Malaysia and China.

The Group also added an additional business segment in FY2019 - event organisation and management consultancy segment.

The Group's trading and distribution division's business for the supply of steel related raw materials, products and equipment to steel mills in the Asia- Pacific region remains weak.

The Group will continue to search for and pursue all opportunities which will complement the Group's medical aesthetic business and consider any other possibilities or opportunities for future growth.

For further review of performance of the Group, please refer to paragraph 9.

16. A breakdown of sales as follows: -

	Group Financial Year Ended		
	31.12.19 (Unaudited) S\$'000	31.12.18 (Unaudited) S\$'000	Increase/ (Decrease) %
(a) Sales reported for the first half year	798	1,243	(36%)
(b) Operating loss after tax before deducting minority interests reported for first half year	(1,372)	(932)	47%
(c) Sales reported for second half year	2,381	415	474%
(d) Operating loss after tax before deducting minority interests reported for second half year	(1,622)	(1,059)	53%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividends have been declared during the financial years ended 31 December 2019 and 31 December 2018.

18. 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 FY2019. The Group does not have a general mandate from shareholders for IPTs.

19. Use of Proceeds

As at 28 February 2020, the net proceeds from the share subscriptions in July 2019 and January 2020 had been utilised as follows:

	Allocation of net proceeds raised S\$'000	Amount utilised before 4-Nov-19 S\$'000	Amount utilised from 4-Nov-19 to 28-Feb-20 S\$'000	Amount unutilised as at 28-Feb-20 S\$'000
(A) Proceeds from share subscription in January 2019				
(i) Working Capital	484	(484)	-	-
(ii) Repayment of loans	3,516	(3,516)	-	-
Total Amount	4,000	(4,000)	-	-
(B) Proceeds from share subscription in July 2019				
(i) Working Capital	150	(123)	(27)	-
(ii) Funding growth, development and expansion of existing medical aesthetics and healthcare business and exploration of new business opportunities as and when they arise	350	(103)	(64)	183
Total Amount	500	(226)	(91)	183
(C) Proceeds from share subscription in January 2020				
(i) Working Capital	240	-	(183)	57
(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	-	(132)	428
Total Amount	800	-	(315)	485
Total Amount	5,300	(4,226)	(406)	668

Note:

- (A) The proceeds from the share subscription in January 2019 amounted to S\$4.0 million. The Company announced in its circular on 26 August 2018 that 100% of the proceeds shall be used for repayment of the Concorde Loan which had been advanced by Concorde Global Limited to CMIC Hemodialysis (Hong Kong) Limited under the loan agreement entered into between the parties on 20 June 2016 ("Concorde Loan Agreement") and the accrued interest under the Concorde Loan Agreement. Any balance will be used for the working capital of the Company.

During the financial year ended 31 December 2019, the proceeds from the share subscription in January 2019 have been fully utilised.

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- (B) The proceeds from the share subscription raised in July 2019 pursuant to a subscription agreement dated 16 May 2019 entered into with Dato' Ng Tian Sang @ Ng Kek Chuan amounted to S\$500,000. The Company announced on 21 May 2019 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.
- (i) During the financial year reported on, S\$27,000 from the working capital portion of the proceeds from the share subscription was utilised. Such expenses mainly related to administrative and operating expenses.
- (C) 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.
- (i) During the financial period reported on, S\$183,000 from the working capital portion of the proceeds from the share subscription was utilised. Such expenses mainly related to administrative and operating expenses.

During the financial year ended 31 December 2019, the proceeds from conversion of warrants arising from the 2017 Rights cum Warrants amounted to S\$0.008 million and has been fully utilised for administrative and operating expenses for working capital purposes.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ng Tian Sang	73	Father of Deputy Chief Executive Officer, Howard Ng How Er	2019 - Present - Non-Executive Director and Non-Executive Chairman, JCG Investment Holdings Ltd - Executive Chairman, Beverly Medical Centre Sdn Bhd 2016 - Present - Executive Chairman, Beverly Wilshire Medical Centre Sdn Bhd - Executive Chairman, Beverly Wilshire Medical Centre (JB) Sdn Bhd - Executive Chairman, Beverly Wilshire Tropicana City Mall Sdn Bhd - Executive Chairman, Beverly Wilshire Medical Academy and Research Centre Sdn Bhd - Executive Chairman, Beverly Wilshire Hair Transplant Sdn Bhd	N.A
Howard Ng How Er	42	Son of Non-Executive Director and Non-Executive Chairman of the Company, Ng Tian Sang	2020 – Present - Executive Director and CEO, Natasha Beverly Sdn Bhd 2019 - Present - Executive Director and Deputy Chief Executive Officer, JCG Investment Holdings Ltd - Director, JCG Beverly Pte Ltd - Executive Director and CEO, Beverly Medical Centre Sdn Bhd 2017 - Present - Executive Director and CEO, Beverly Wilshire Medical Centre Sdn Bhd - Executive Director and CEO, Beverly Wilshire Medical Centre (JB) Sdn Bhd - Executive Director and CEO, Beverly Wilshire Tropicana City Mall Sdn Bhd - Executive Director and CEO, Beverly Wilshire Medical Academy and Research Centre Sdn Bhd - Executive Director and CEO, Beverly Wilshire Hair Transplant Sdn Bhd	N.A

Alexander Ng Zhonglie	26	Son of Non-Executive Director and Non-Executive Chairman of the Company, Ng Tian Sang	<p>2020 – Present</p> <ul style="list-style-type: none"> - General Manager (Sales and Marketing), Natasha Beverly Sdn Bhd <p>2019 - Present</p> <ul style="list-style-type: none"> - Executive Director and General Manager (Sales and Marketing), Beverly Medical Centre Sdn Bhd <p>2017 - Present</p> <ul style="list-style-type: none"> - General Manager (Sales and Marketing), Beverly Wilshire Medical Centre Sdn Bhd - General Manager (Sales and Marketing), Beverly Wilshire Medical Centre (JB) Sdn Bhd - Executive Director and General Manager (Sales and Marketing), Beverly Wilshire Tropicana City Mall Sdn Bhd - General Manager (Sales and Marketing), Beverly Wilshire Medical Academy and Research Centre Sdn Bhd - Executive Director and General Manager (Sales and Marketing), Beverly Wilshire Hair Transplant Sdn Bhd 	
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21. 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
29 February 2020**