



JCG INVESTMENT HOLDINGS LTD.

*The  
Emergence  
Of  
Beverly  
JCG*

*Sustainability Report 2019*



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# ORGANIZATIONAL PROFILE

JCG Investment Holdings Ltd. is an investment holding company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX**”) in April 2006. The Group is primarily focused on the core business of medical aesthetics and healthcare.

2019 was a significant year for the Group. In November 2019, the Group had successfully completed the acquisition of a 51% stake in Beverly Wilshire Medical Centre Group of Companies (“**BW**”), a well-known brand in Malaysia with multi award-winning integrated beauty and wellness medical centres, specialising in aesthetic medicine, plastic surgery, dental aesthetics, hair restoration and a range of healthy aging and wellness services. BW operates two Malaysia Ministry of Health (“**MOH**”) licensed medical centres, one of which is a non-ambulatory medical centre in Kuala Lumpur (“**KL**”) and an ambulatory medical centre in Johor Bahru (“**JB**”). In addition, BW operates a specialist (Pakar) dental clinic in KL and an aesthetic clinic in 3 Damansara (Petaling Jaya).

BW has also entered into a joint venture (“**JV**”) in KL, Natasha@Beverly, with a well-known Indonesian skincare brand, Natasha Skin Care Group (“**Natasha**”). Natasha specializes in aesthetic skin care and has more than 150 outlets throughout Indonesia. BW will benefit from Natasha's referrals from Indonesia to do plastics surgery and healthy aging procedures in either of BW’s medical centres in KL and JB. This JV with Natasha is extremely exciting as it enables both BW and Natasha to tap on each other’s established network and respective strengths to enhance synergy for mutual benefit.

The acquisition of BW group of companies by JCG is in line with the Group’s focus on the core business of medical aesthetics and healthcare and its strategy to become a recognized regional player and household name in the near future. Singapore is a well-known and world-renowned medical hub and the medical aesthetics and wellness industry is one filled with opportunities for the Group. By leveraging on its status as a listed SGX company and expanding the BW brand and business into Singapore and regionally, this will provide the Group with an excellent platform at this opportune time to launch the BW brand and the Group to be a leading regional player in ASEAN and Australia.

# BOARD'S STATEMENT

## BOARD STATEMENT

We are pleased to present the annual Sustainability Report of JCG Investment Holdings Ltd. (“**JCG**” or the “**Company**” and, together with its subsidiaries, the “**Group**”) for our financial year ended 31 December 2019 (“**FY2019**”).

For our FY2019 report, the board of directors of the Group (the “**Board**”) conducted a thorough review of our Group’s business and determined that the medical aesthetics and wellness industry is a sunrise business on the ascent, and one which typically commands an attractive Price-Earnings (“**PE**”) multiple on SGX and other international bourses. We shall commit and focus our resources to cement and expand the healthcare business as our core business.

Sustainability is a part of the Group’s wider strategy to create long-term value for all its stakeholders. As such, the key material economic, environmental, social and governance (“**EESG**”) factors for the Group have been identified and judiciously reviewed by the management. The data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy of data and information. The Board oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group’s strategic direction and policies.

## REPORTING FRAMEWORK, PERIOD AND SCOPE

This report is prepared in compliance with the requirements of Rules 711A and 711B of the SGX Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), and references the phased approach as described in Practice Note 7F: Sustainability Reporting Guide of the Catalist Rules and the Global Reporting Initiative (“**GRI**”) Standards: Core option as issued by the Global Sustainability Standards Board. We have chosen GRI as the sustainability reporting framework as it is internationally recognised and is widely adopted, enabling us to achieve a comprehensive and comparable disclosure of environmental, social and governance performance. This report highlights the EESG related initiatives carried throughout a 12-month period, from 1 January to 31 December 2019 (“**FY2019**”).

The Company's sustainability report summarises the expectations of various stakeholders, the general business environment that the Group is operating in and what the Group has done in order to ensure the sustainability of the Group over the years.

The information disclosed in this Sustainability Report, read together with the information in the annual report for FY2019 ("**Annual Report 2019**"), will provide the reader with a holistic view of the operations of our Group. We will strive to maintain and/or improve the standards of the various EESG factors reported where appropriate and practicable, in accordance with the business activities of the Group in the future.

### **FEEDBACK**

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to [report@jcg-investment.com](mailto:report@jcg-investment.com).

### **ACCESS**

No hard copies of this Sustainability Report have been printed as part of our efforts to promote environmental conservation. You may visit SGXNET or our Company website for our Sustainability Report.

On behalf of the Board

Dato' Ng Tian Sang @ Ng Kek Chuan  
Non-Executive Chairman

21 May 2020

# APPROACH TO SUSTAINABILITY

## OUR SUSTAINABILITY METHODOLOGY



## STAKEHOLDER ENGAGEMENT

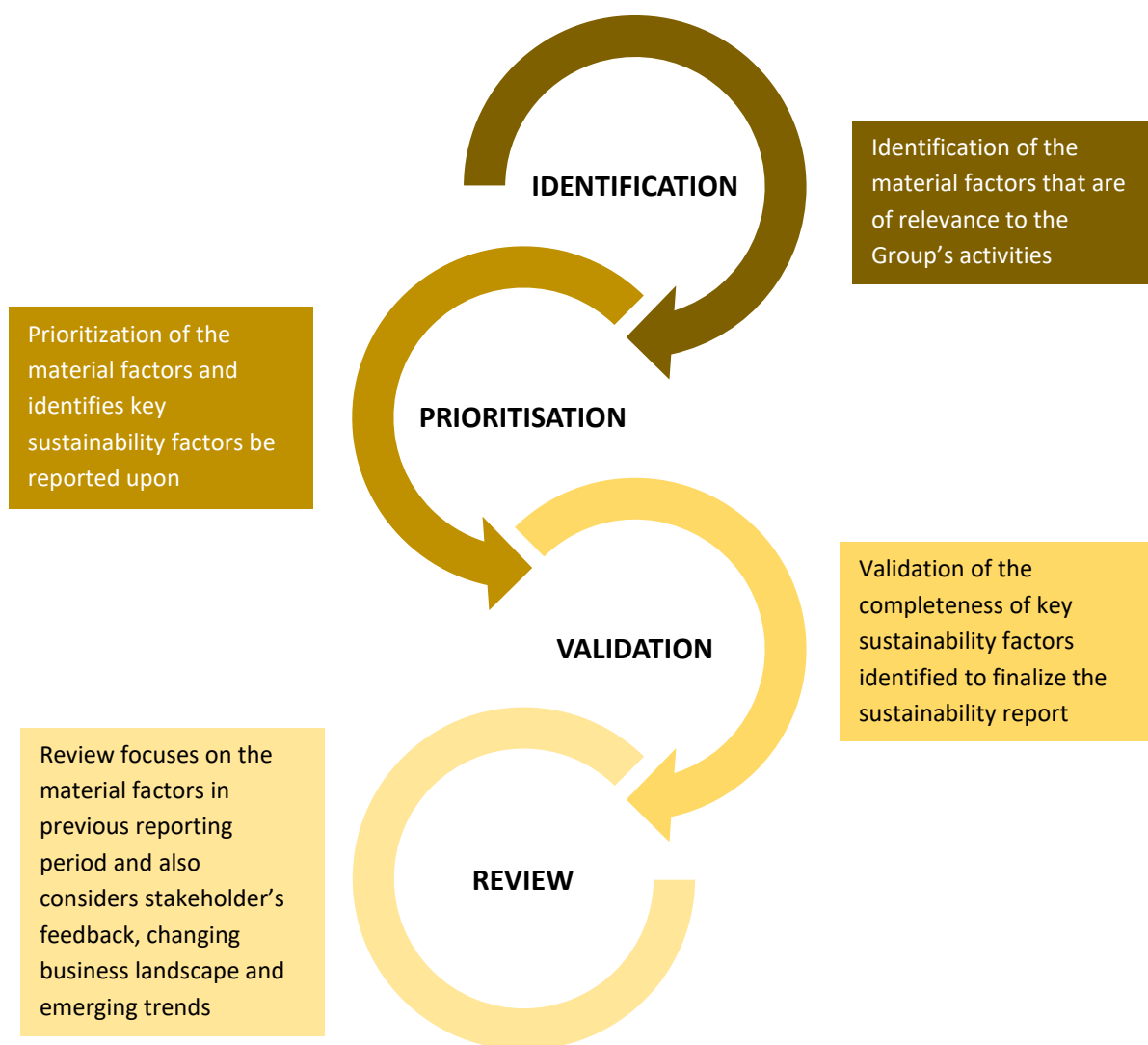
An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, customers, suppliers, employees, investors, and regulators. We adopt both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

The following sets out our engagement platforms with our stakeholders:

Key Stakeholders	Engagement Platforms	Frequency of Engagement	Key Concerns Raised
<b>Employees</b>	Open dialogue	Ongoing	Fair remuneration, compensation and benefits Workplace safety
<b>Suppliers and service providers</b>	Background review and assessment Face to face meetings Discuss terms and conditions to meet the same expectations	Ongoing	Receipt of timely payments Quality of products
<b>Government and regulators</b>	Regular reports Regular courtesy visits to SGX Medical licencing and compliance	As appropriate	Regulatory compliance Timeliness of reporting
<b>Investors / Shareholders</b>	Results announcements Annual report Annual general meeting Shareholder engagement	Quarterly Annually Annually As appropriate	Growth strategy and future plan
<b>Customers</b>	Social media E-mail queries Face to face business transactional engagements	Ongoing	Receipt of timely payments Quality of products and services Customer satisfaction

## MATERIAL ASPECTS ASSESSMENT

Our sustainability process begins with the identification of relevant factors. Relevant factors are then prioritised to identify material factors which are validated internally. The end result of this process is a list of material factors disclosed in the Sustainability Report. A brief description of our sustainability process is shown below:



We engaged our employees from various departments to seek our internal stakeholders' feedback on the prioritisation of these topics. A materiality review is conducted annually, incorporating inputs gathered from stakeholders' engagements.

In order to determine if a factor is material, we assess its potential impact on the economy, environment, society and its influence on the stakeholders. Applying guidance from GRI, we have identified the following as our material factors:





# ECONOMIC

## ECONOMIC PERFORMANCE

JCG firmly believes that focus on financial sustainability is critical and we are fully committed to the highest standards of corporate governance. The company's basic principle is that long-term profitability and shareholder value is ensured by taking into account the interests of stakeholders, such as shareholders, employees, suppliers and society as a whole.

The Group's year-on-year revenue increased 92% from S\$1.658 million to S\$3.179 million. This is achieved with only 2 months of revenue contribution from the newly acquired Beverly Wilshire Medical Centre Group in Malaysia. 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 Beverly Wilshire Medical Centre Group which generated revenue of S\$1.319 million for the Group. The event organisation and management consultancy segment, which is a new revenue segment contributed by Brand X Lab Pte. Ltd., generated revenue of S\$1.201 million in FY2019. 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.

Gross profit for FY2019 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 and was offset by decrease in trading and distribution segment in which the gross profit margin has decreased by S\$0.511 million.

For detailed financial results, please refer to the following sections in our Annual Report 2019:

- Operating and Financial Review, pages 3 to 5;
- Financial Statements, pages 47 to 133.

## **ANTI-CORRUPTION**

JCG does not tolerate corruption in any form, such as extortion and bribery. This has been made clear to our employees, our suppliers and our business partners. We have achieved our target of zero incidents of corruption during FY2019. We also target to maintain zero incidents of corruption in the financial year ending 31 December 2020 (“FY2020”).

## **WHISTLE BLOWING POLICY**

Our whistle blowing policy provides a mechanism for employees and external parties to report concerns over alleged wrongful acts. There were no whistleblowing cases in FY2019 (FY2018: Nil) and we have attained our target. We aim to have no instance of whistleblowing cases throughout the year.

## ENVIRONMENT

JCG's direct environmental impact is limited as we do not have any manufacturing operations. Nevertheless, we will always strive to avoid unnecessary impact on the environment and to further reduce any environmental impact, whenever possible.

The Group sources and buys end products from companies which are environmentally friendly. If there any new product launches, we will perform rigorous checks on the upstream suppliers to ensure that they meet our requirements and they are aligned to our Group's environmental objectives.

### SUPPLIER ENVIRONMENTAL ASSESSMENT

JCG will continue to reduce its environmental impact and to encourage its stakeholders, such as suppliers and trading partners, to meet the same expectations. The Group also performs periodic supplier assessment on their vendors to check that they are providing high quality and green products.

For our medical aesthetics business, the Group performs evaluation on the suppliers considering background review and assessment, face-to-face meetings and discussion of terms and conditions to meet the same expectations. Our evaluation in FY2019 comprised:

- 1) Evaluating potential medical device suppliers, getting them to implement effective controls;
- 2) Selecting the most suitable suppliers with high delivery performance and quality products;
- 3) Having reliable partners and comprehensive portfolio of services along the value chain; and
- 4) Ensuring that all products were registered with Kementerian Kesihatan Malaysia (Ministry of Health, Malaysia).

The top three suppliers for medical products to the Group in FY2019 were:

No.	Supplier's name	Materials supplied	Supplier's Assessment
1	DKSH Holdings (Malaysia) Bhd. ("DKSH")	Material for aesthetic products such as botox, filler and medication	Sustainability Report FY2018 - There are no incidents of non-compliance with environmental laws and regulations were noted in FY2018 for DKSH.
2	Allergan Malaysia	Material for aesthetic	Corporate Responsibility Report FY2018

	Sdn. Bhd. ("Allergan")	products such as botox and filler	- Allergan achieved a 43% reduction in hazardous waste generation in FY2018. Several of Allergan's locations have established green teams to identify and implement waste reduction opportunities.
3	Zuellig Pharma ("ZP")	Products such as medication and consumable items	Sustainability vision - ZP is building a healthier future for Asia with clients and customers.

Top supplier for metal products of the Group in FY2019 was:

No.	Supplier's name	Materials supplied	Supplier's Assessment
1	Wogen Resources Ltd. ("WRL")	Nitrogen Vanadium	Corporate Responsibility - WRL will strive to use resources efficiently, minimise harmful emissions and ensure a positive effect on communities.

We have achieved our target to include environmental assessment in our supplier evaluation. This shall be our business practice for FY2020 as we want to work with the right partners who are environmentally conscious and will journey with us towards a sustainable long-term business.

# SOCIAL

## DIVERSITY AND FAIR EMPLOYMENT

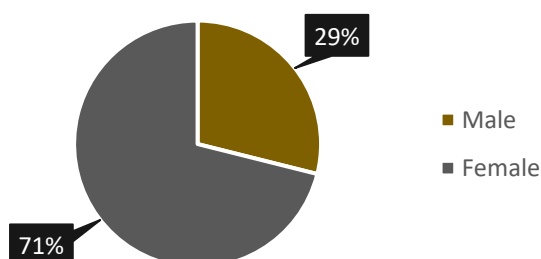
We embrace diversity, and at the same time expect all officers and employees to be aligned with the Group's vision and strategic initiatives. The age of our employees ranged from 30s to 60s in FY2019. The ratio of male to female employees in FY2019 was almost 2:5 (FY2018: 1:1).

The total number of employees in the Group was 128 in FY2019 (FY2018: 9). The increase in the number of employees was mainly due to the following acquisitions in FY2019:

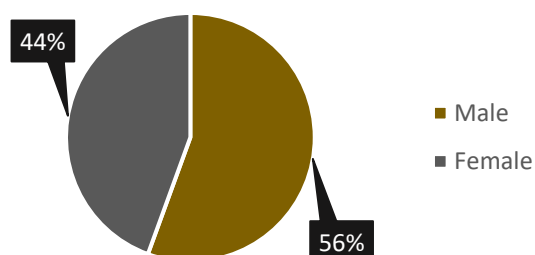
- 1) On 15 April 2019, the Group completed the acquisition of Brand X Lab Pte. Ltd., a private limited company incorporated in Singapore which provides event organisation and promotion services as well as business and management consultancy services; and
- 2) On 7 November 2019, the Company completed the acquisition of 51% of the total issued share capital in Beverly Wilshire Medical Centre Group which is incorporated in Malaysia ("**BW**"). BW is a well-known brand in Malaysia with multi award-winning integrated beauty and wellness medical centres, specialising in aesthetic medicine, plastic surgery, dental aesthetics, hair restoration and a range of healthy aging and wellness services.

Our hiring is based on manpower requests and all hiring requires our Chairman/CEO's approval. Our remuneration package is competitive within the healthcare industry. Our employees consist of people coming from different nationalities and academic qualification and we strive for fair treatment of all our employees.

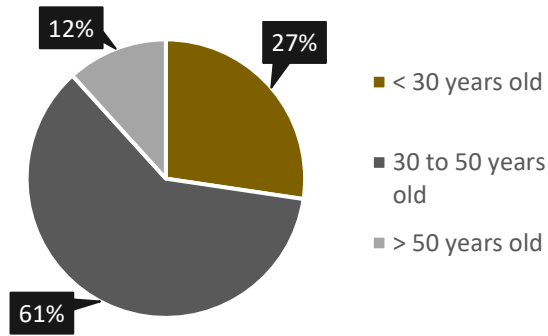
Gender Breakdown FY2019



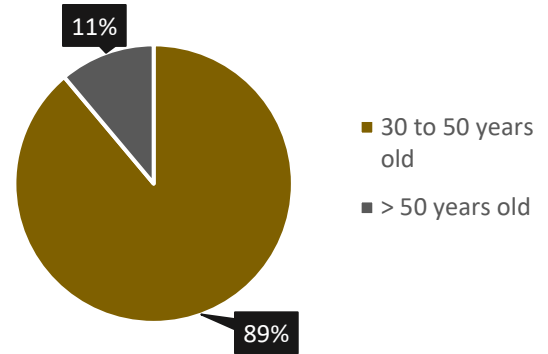
Gender Breakdown FY2018



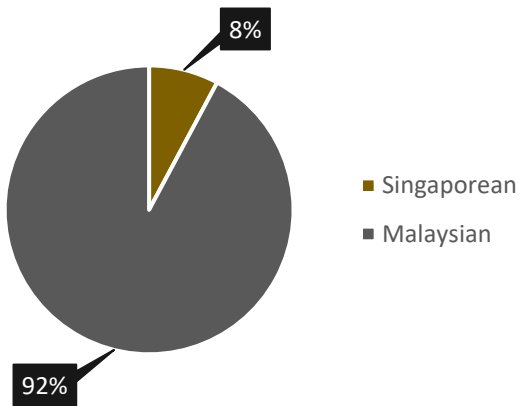
Employee Age Distribution FY2019



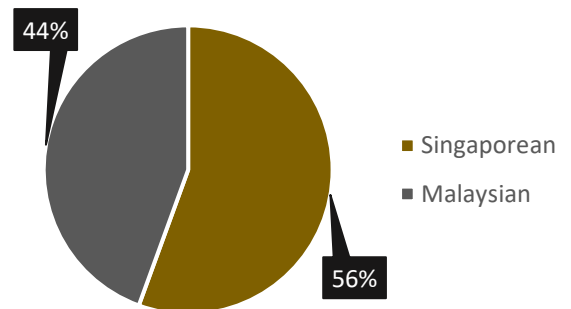
Employee Age Distribution FY2018



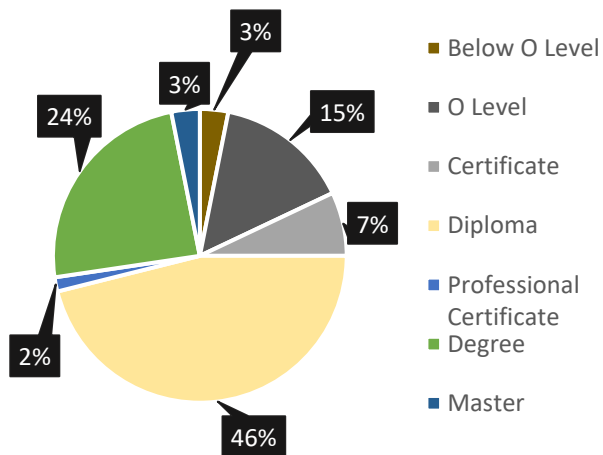
Nationality Breakdown FY2019



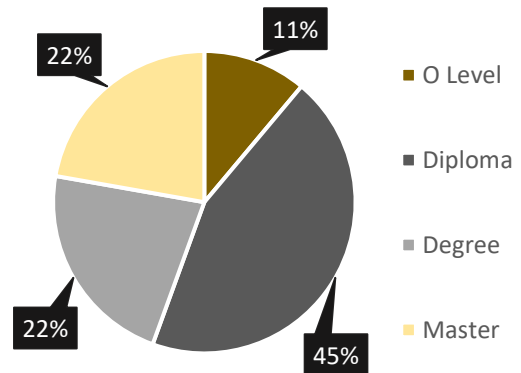
Nationality Breakdown FY2018



Qualification Breakdown FY2019



Qualification Breakdown FY2018



Throughout the year, the Group holds a range of activities to foster team building amongst our employees such as World Nurse Day, festival celebrations and birthday celebrations. In addition, we maintain staff interaction via social media such as group chats such that all staff members are constantly engaged and kept abreast of happenings within the Group.

We have achieved our target of nil discrimination in FY2019. In FY2020, we look forward and are committed to providing competitive remuneration and benefits to our employees. We are also committed to safeguarding our employees' health and safety against any potential workplace hazards. In addition, all hirings within the Group will be based on related skills, experiences and qualifications. There were no work place incidents in FY2019 (FY2018: Nil). We continue to strive for fair employment practices and zero workplace discrimination regardless of race, religion or gender.

#### **CODE OF CONDUCT**

The Group sets out the expected Code of Conduct in its Employee Handbook. JCG ensures compliance with labour and employment laws, including working hours and stipulated annual, medical, compassionate and child care leave. Furthermore, the Group does not discriminate against anyone because of, among others, age, gender, national origin, disability, religion, sexual orientation, marital or maternity status, union membership or political opinion. Non-compliance in relation to discrimination must be reported to our CFO who is responsible for the HR function of the Group or through our whistleblowing system.

#### **TRAINING AND EDUCATION**

JCG understands that there is a continuous need to upgrade staff skills and knowledge. This is beneficial to the staff development and also to the Company. Thus, staff are encouraged to go for courses and seminars to upgrade themselves and improve their skills. In FY2019, we achieved our target of having all our staff attending at least one training as part of our commitment to their growth in the Company. The trainings attended by the staffs include:

- 1) Sales training (in-house);
- 2) Accounting training with accounting system (in-house);
- 3) Accounting seminar;
- 4) Nursing training (in-house and external);
- 5) Aesthetician training (in-house); and

6) Continuous medical education for doctors (workshop).

We will monitor the trainings provided to our staff and will ensure that each employee will attend at least one training per year, in particular 20 Continuing Professional Development (“**CPD**”) points are required each year for Doctors to renew their Annual Practicing Certificate (“**APC**”) and 25 CPD points are required each year for Nurses to renew their APC.

In addition to mandatory continuous medical and technical training as required for the medical staff, we are committed to providing continuous support to upgrade the skills and knowledge of our staff in the area of customer service, sales and management. We will seek and identify relevant courses and seminars for our staff to attend and participate in.



# GOVERNANCE

## CORPORATE GOVERNANCE

The Company adheres closely to the principles and guidelines of the Code of Corporate Governance 2018 (the “**Code**”) and other applicable laws, rules and regulations, including the Catalist Rules. Please refer to the Annual report pages 9 to 32 on the details of the Code and our report on the Group’s adherence to the Code.

In our dealings with our customers and suppliers, our employees are to strictly uphold the Company’s policy on anti-corruption/bribery and we may also ask our suppliers through a supplier questionnaire on whether they have anti-corruption/bribery policies with their upstream suppliers.

Similar to the past years, we will continue to institute as a business practise compliance with the Code to meet all the good governance requirements that are expected of us by all our stakeholders.

## RISK MANAGEMENT

Enterprise Risk Management (“**ERM**”) is an integral part of good corporate governance as well as resource management. A thorough and comprehensive ERM framework enables JCG to identify, communicate and manage its risks and exposures in an integrated, systematic and consistent manner. For detailed disclosure on ERM, please refer to our Annual Report, pages 24 to 25.

We aim to review the ERM policies regularly to ensure all relevant risks are identified, communicated, managed and addressed timely.

# GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure		Reference / Description
GRI 101: Foundation 2016			
GENERAL DISCLOSURE			
GRI 102: General Disclosures	102-1	Name of organisation	JCG Investment Holdings Ltd.
	102-2	Activities, brands, products and services	Sustainability Report 2019 (“SR”) page 1
	102-3	Location of headquarters	Annual Report (“AR”) Corporate Information
	102-4	Location of operations	SR page 1
	102-5	Ownership and legal form	AR page 53, 135, Corporate Information
	102-6	Markets served	SR page 1
	102-7	Scale of the organisation	SR pages 1, 11 to 13
	102-8	Information on employees and other workers	SR pages 11 to 13
	102-9	Supply chain	SR pages 1, 9 to 10
	102-10	Significant changes to the organisation and its supply chain	SR page 1, 11
	102-11	Precautionary Principle or approach	None
	102-12	External initiatives	None
	102-13	Membership of associations	None
	102-14	Statement from senior decision maker	SR pages 2 to 3
	102-16	Values, principles, standards and norms of behaviour	SR page 15
	102-18	Governance structure	SR page 15
	102-40	List of stakeholder groups	SR page 4
	102-41	Collective bargaining agreements	None
	102-42	Identifying and selecting stakeholders	SR page 4
	102-43	Approach to stakeholder engagement	SR page 4
	102-44	Key topics and concerns raised	SR page 4
	102-45	Entities included in the consolidated financial statements	AR pages 83 to 86
	102-46	Defining report content and topic boundaries	SR pages 2 to 3
	102-47	List of material topics	SR pages 5 to 6
	102-48	Restatement of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	SR page 2
	102-51	Date of most recent previous report	28 May 2019
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions about the report	SR page 3
	102-54	Claims if reporting in accordance with the GRI Standards	SR pages 2 to 3
	102-55	GRI content index	SR pages 16 to 17
	102-56	External Assurance	SR pages 2

## GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference / Description
<b>MATERIAL TOPICS</b>		
<b>GRI 201: Economic performance</b>	201-1	Direct economic value generated and distributed
<b>205: Anti-corruption</b>	205-2	Communication and training about anti-corruption policies and procedures
<b>GRI 308: Supplier Environmental Assessment</b>	308-1	New suppliers that were screened using environmental criteria
<b>GRI 404: Training and Education</b>	404-1	Average hours of training per year per employee
<b>GRI 405: Diversity and equal opportunity</b>	405-1	Diversity of governance bodies and employees