

JCG INVESTMENT HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200505118M)

ENTRY INTO TERM SHEET FOR PROPOSED JOINT VENTURE

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of JCG Investment Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on 17 March 2020 (the “**Previous Announcement**”) in relation to the incorporation of Spinalive Beverly Sdn. Bhd. (the “**JVCo**”), an indirectly-owned subsidiary of the Company. For more information on the JVCo, please refer to the Previous Announcement.

The Board is pleased to announce that Natasha Beverly Sdn. Bhd. (“**Natasha Beverly**”), an indirectly-owned subsidiary of the Company and the 51% shareholder of the JVCo, had on 15 March 2020 entered into a binding term sheet (the “**Term Sheet**”) with Spinalive Sdn. Bhd. (“**Spinalive**”) (Natasha Beverly and Spinalive collectively, the “**Parties**”) to establish a joint venture for the purposes of providing services of ‘pain management’, including but not limited to chiropractic and physiotherapy services (the “**Proposed Transaction**”).

In this announcement, unless otherwise stated, the exchange rate applied by the Group for conversions of RM into S\$ is RM3: S\$1. The exchange rate is for reference only. No representation is made by the Company that any amounts in S\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

2. INFORMATION ON SPINALIVE

Spinalive is a company incorporated in Malaysia and its principal business is the provision of chiropractic and physiotherapy services and complementary medicine.

Spinalive is not related to the Directors, substantial shareholders of the Company, or their respective associates. As of the date of this announcement, Spinalive does not hold any shares in the share capital of the Company (“**Shares**”) or any other shareholding interest (direct or indirect) in the Company. Each of the directors and shareholders of Spinalive is also not related to the Directors, substantial shareholders of the Company, or their respective associates. As of the date of this announcement, each of the directors and shareholders of Spinalive does not hold any Shares or any other shareholding interests (direct or indirect) in the Company.

3. MATERIAL TERMS OF THE TERM SHEET

3.1 Initial Capital Structure

The initial capital structure of the JVCo shall be as follows:

- | | | | |
|-----|-----------------|---|-----------|
| (a) | Natasha Beverly | : | RM204,000 |
| (b) | Spinalive | : | RM196,000 |

3.2 Board Composition

The board of directors of the JVCo shall consist of three (3) directors appointed by Natasha Beverly and two (2) directors appointed by Spinalive.

3.3 Fees

The Parties agree that Spinalive shall receive the following monthly payments:

- (a) License Fees. Spinalive shall be paid license fees for the use of the “Spinalive” brand name. The license fees shall be equivalent to 10% of the total fees or charges received by the JVCo.
- (b) Professional Fees. For the initial period of six (6) months from the business commencement date of the JVCo (being 15 April 2020 or such other date as may be mutually agreed in writing by the Parties from time to time), Spinalive shall be paid professional fees equivalent to 30% of the total amount of bills and/or invoices issued by the JVCo. For the period thereafter, Spinalive shall be paid professional fees equivalent to 40% of the total amount of bills and/or invoices issued by the JVCo.

3.4 Call Option and Put Option

In the event of termination of the Proposed Transaction for any reasons whatsoever, the Parties agree that Spinalive shall have the following options:

- (a) Call Option. Spinalive shall be entitled to call upon Natasha Beverly to sell all of its shares in the JVCo to Spinalive at the consideration of RM1.00 per share.
- (b) Put Option. Spinalive shall be entitled to put to Natasha Beverly all of its shares in the JVCO at the consideration of RM1.00 per share.

3.5 Execution of Definitive Agreement

The Parties shall, acting reasonably and in good faith, execute an agreement setting out the terms and condition for the Proposed Transaction (the “**Definitive Agreement**”) within fourteen (14) working days from the execution of the Term Sheet, subject to such extension(s) as may be mutually agreed in writing by the Parties from time to time and provided always that all terms shall have been mutually agreed upon. Pursuant to an extension letter entered into between the Parties dated 26 March 2020, the long-stop date for the entry into the Definitive Agreement has been extended to 30 April 2020.

4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

Based on the latest announced consolidated financial statements of the Group for the financial year ended 31 December 2019 (“FY2019”), the relative figures of the proposed transaction as computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006 Bases of calculation	Relative figure %
(a) The net asset value of the assets to be disposed of, as compared with the Group’s net asset value	Not applicable ⁽¹⁾
(b) The net profits attributable to the assets acquired, compared with the Group’s net loss	Not applicable ⁽²⁾
(c) The aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	0.22% ⁽³⁾
(d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.
- (2) Not applicable as the JVCo has only been recently incorporated.
- (3) Based on the Consideration of RM204,000 (or equivalent to approximately S\$68,000) compared to the Company’s market capitalisation of approximately S\$31,623,000. The market capitalisation of the Company was computed based on its existing share capital of 15,811,689,664 Shares (excluding treasury shares) and the VWAP of S\$0.002 per Share on 13 March 2020 (being the last market day on which the Shares were traded preceding the date of the Term Sheet).
- (4) Not applicable as there are no equity securities issued as consideration.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As none of the relative figures computed on the bases pursuant to Rule 1006 of the Catalist rules exceeds 5%, the Proposed Transaction constitutes a non-discloseable transaction under Chapter 10 of the Catalist Rules.

5. **INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed above, none of the Directors or controlling shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the abovementioned transaction (other than through their interests in the shares of the Company, if any).

6. **FURTHER ANNOUNCEMENTS**

The Company will make further announcements to inform shareholders of any material updates or developments as and when it may be deemed necessary or appropriate.

7. **RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transaction and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

8. **CAUTION IN TRADING**

Shareholders and potential investors are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Proposed Transaction will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Transaction. Shareholders are advised to read this announcement and any further announcements by the Company carefully, and should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Ang Kok Huan
Chief Executive Officer

13 April 2020

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 (“**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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