BEVERLY JCG LTD.

Company Registration No. 200505118M

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 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 (the "Catalist Rules"). The foregoing statement is made pursuant to Rule 705(2C) of the Catalist Rules.

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

It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**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.

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

Condensed Interim Consolidated Statement of Comprehensive Income

	Note	Group 3 months ended			Group 6 months ended		
		S$'000	S$'000		S$'000	S$'000	
Revenue	4.2	**2,131**	628	239%	**4,001**	2,230	79%
Cost of Sales		**(1,103)**	(350)	215%	**(2,092)**	(1,293)	62%
Gross Profit		**1,028**	278	270%	**1,909**	937	104%
Gross Profit Margin		**48%**	44%		**48%**	42%	
Other income		**233**	161	45%	**298**	209	43%
Selling and distribution expenses		**(96)**	(30)	220%	**(205)**	(139)	47%
Administrative expenses		**(1,763)**	(1,898)	(7%)	**(3,593)**	(3,777)	(5%)
Finance expenses		**(114)**	(29)	293%	**(163)**	(70)	133%
Loss for the financial period before income tax		**(712)**	(1,518)	(28%)	**(1,754)**	(2,840)	(38%)
Income tax credit	7	**10**	77	(87%)	**79**	109	(28%)
Loss from continuing operations		**(702)**	(1,441)	(51%)	**(1,675)**	(2,731)	(39%)
Loss from discontinued operations		**-**	(52)	(100%)	**-**	(117)	(100%)
		(702)	(1,493)	(53%)	**(1,675)**	(2,848)	(41%)
Other comprehensive loss:							
Item that may be reclassified subsequently to profit or loss: Currency translation differences arising from consolidation (loss)/ income		**7**	(15)	147%	**10**	(1)	1100%
Other comprehensive (loss)/ income, net of tax		**7**	(15)	(100%)	**10**	(1)	1100%
Total comprehensive loss		**(695)**	(1,508)	(54%)	**(1,665)**	(2,849)	(42%)
Loss attributable to:							
Equity holders of the Company		**(606)**	(1,036)	(42%)	**(1,333)**	**(2,040)**	(35%)
Non-controlling interests		**(96)**	(457)	(79%)	**(342)**	**(808)**	(58%)
Net loss for the financial period		**(702)**	(1,493)	(53%)	**(1,675)**	**(2,848)**	(41%)
Loss attributable to:							
Equity holders of the Company		**(599)**	(1,051)	(43%)	**(1,323)**	**(2,041)**	(35%)
Non-controlling interests		**(96)**	(457)	(79%)	**(342)**	**(808)**	(58%)
Total comprehensive loss for the financial period		**(695)**	(1,508)	(54%)	**(1,665)**	**(2,849)**	(42%)

	Note	Group 3 months ended			Group 6 months ended		
Loss per share for loss attributable to equity holders of the Company (cents per share)							
Basic and diluted loss per share							
- From continuing operations		**(0.004)**	(0.007)	42%	**(0.008)**	**(0.013)**	38%
- From discontinued operations		**-***	-*		**-***	**-***	
Total comprehensive loss for the financial period		**(0.004)**	(0.007)	42%	**(0.008)**	**(0.013)**	38%

* Amount less than (0.01) Singapore cents.

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

Condensed Interim Balance Sheets

		Group		Company	
	Note	As at 30.06.2021 Unaudited S$'000	As at 31.12.2020 Audited S$'000	As at 30.06.2021 Unaudited S$'000	As at 31.12.2020 Audited S$'000
Current assets					
Cash and cash equivalents		1,014	293	660	43
Trade and other receivables		899	752	661	510
Inventories		485	412	-	-
		2,398	1,457	1,321	553
Assets of disposal group classified as held-for-sale		3,869	3,869	-	-
Non-current assets classified as held-for-sale		-	-	3,611	3,611
Total current assets		6,267	5,326	4,932	4,164
Non-current assets					
Investment in subsidiary corporations		-	-	2,417	2,417
Property, plant and equipment	11	5,608	5,955	77	156
Intangible assets	10	1,246	1,439	-	-
Total non-current assets		6,854	7,394	2,494	2,573
Total assets		**13,121**	**12,720**	**7,426**	**6,737**
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables		4,264	3,995	1,193	1,394
Borrowings	12	1,119	824	946	965
Lease liabilities (office and medical centre)	12	687	769	66	144
		6,070	5,588	2,205	2,503
Liabilities directly associated with disposal group classified as held-for-sale		258	258	-	-
Total current liabilities		6,328	5,846	2,205	2,503
Non-current liabilities					
Borrowings	12	596	580	-	-
Lease liabilities (office and medical centre)	12	1,787	2,053	-	-
Deferred income tax liabilities		322	401	-	-
Total non-current liabilities		2,705	3,034	-	-
Total liabilities		**9,033**	**8,880**	**2,205**	**2,503**
Net assets		**4,088**	**3,840**	**5,221**	**4,234**
Capital and reserves attributable to equity holders of the Company					
Share capital	13	73,536	71,623	73,536	71,623
Other reserves		1,877	1,867	1,905	1,905
Accumulated losses		(71,524)	(70,191)	(70,220)	(69,294)
Share capital and reserves		3,889	3,299	5,221	4,234
Non-controlling interests		199	541	-	-
Total equity		**4,088**	**3,840**	**5,221**	**4,234**

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**

Condensed Interim Consolidated Statement of Cash Flows

		Group			
		3 months ended		6 months ended	
		30.06.2021	30.06.2020	30.06.2021	30.06.2020
		Unaudited	Unaudited	Unaudited	Unaudited
	Note	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities					
Net loss		(702)	(1,493)	(1,675)	(2,848)
Adjustment for:					
Income tax credit		(10)	(74)	(79)	(126)
Depreciation of property, plant and equipment		241	513	740	864
Amortisation of intangible assets		97	116	193	234
Gain due to modification of lease		(143)	(10)	(143)	(37)
Unrealised currency translation gain		31	36	48	41
Interest expense		114	34	163	81
Operating cash flows before movements in working capital		**(372)**	**(878)**	**(753)**	**(1,791)**
Trade and other receivables		(126)	68	(146)	217
Inventories		(48)	(10)	(73)	31
Trade and other payables		(472)	966	301	1,342
Cash generated from/(used in) operations		**(1,018)**	**146**	**(671)**	**(201)**
Income tax paid		-	-	-	(93)
Net cash generated from/(used in) operating activities		**(1,018)**	**146**	**(671)**	**(294)**
Cash flow from investing activities					
Purchase of property, plant and equipment		(269)	(27)	(507)	(44)
Net cash used in investing activities		**(269)**	**(27)**	**(507)**	**(44)**

	[Note]	Group 3 months ended 30.06.2021 Unaudited S$'000	3 months ended 30.06.2020 Unaudited S$'000	6 months ended 30.06.2021 Unaudited S$'000	6 months ended 30.06.2020 Unaudited S$'000
Cash flows from financing activities					
Bank deposit discharged		10	-	10	-
Bank deposit pledged		(39)	(171)	(39)	(171)
Proceeds from issuance of new shares		-	-	-	800
Net proceeds from rights issue		1,913	-	1,913	-
Proceeds from borrowings		-	-	180	-
Proceeds from bank overdraft		114	-	245	-
Proceeds from conversion of warrants		-	-	-	-
Proceeds from finance lease		-	-	211	-
Repayment of lease liability		(49)	(261)	(292)	(492)
Repayment of finance lease		(6)	-	(18)	(18)
Repayment of borrowings		(144)	(14)	(224)	(34)
Interest paid		(25)	(4)	(41)	(22)
Net cash (used in)/ generated from/financing activities		**1,774**	**(450)**	**1,945**	**63**
Net (decrease)/increase in cash and cash equivalents		487	(331)	767	(275)
Cash and cash equivalents at the beginning of the financial period		362	(241)	83	(297)
Effect of currency translation on cash and cash equivalents		(2)	(1)	(3)	(1)
End of the financial period		**847**	**(573)**	**847**	**(573)**

Represented by:

	Group 3 months ended 30.06.2021 Unaudited S$'000	3 months ended 30.06.2020 Unaudited S$'000	6 months ended 30.06.2021 Unaudited S$'000	6 months ended 30.06.2020 Unaudited S$'000
Cash at bank and on hand	1,014	1,219	1,014	1,219
Less: bank deposits pledged	(62)	(921)	(62)	(921)
Less: bank overdrafts	(105)	(871)	(105)	(871)
Cash and cash equivalents per consolidated statement cash flows	**847**	**(573)**	**847**	**(573)**

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

Condensed Interim Statement of Changes in Equity

Group	Share capital S$'000	Currency translation reserves S$'000	Accumulated losses S$'000	Share option reserve S$'000	Warrant reserve S$'000	Attributable to equity holders of company S$'000	Non-controlling interest S$'000	Total S$'000
Unaudited								
Balance as at 01.01.2020	67,460	(16)	(65,941)	25	5,236	6,764	1,581	8,345
Adjustment based on purchase price allocation	-	-	-	-	-	-	(16)	(16)
Issuance of share capital	800	-	-	-	-	800	-	800
Total comprehensive loss for the period	-	-	(2,040)	-	-	(2,040)	(808)	(2,848)
Other comprehensive loss	-	(1)	-	-	-	(1)	-	(1)
Balance as at 30.06.2020	**68,260**	**(17)**	**(67,981)**	**25**	**5,236**	**5,523**	**757**	**6,280**
Unaudited								
Balance as at 01.01.2021	71,623	(38)	(70,191)	25	1,880	3,299	541	3,840
Issuance of share capital, net of expenses	1,913	-	-	-	-	1,913	-	1,913
Total comprehensive loss for the period	-	-	(1,333)	-	-	(1,333)	(342)	(1,675)
Other comprehensive loss	-	10	-	-	-	10	-	10
Balance as at 30.06.2021	**73,536**	**(28)**	**(71,524)**	**25**	**1,880**	**3,889**	**199**	**4,088**

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	-	(782)	-	-	(782)
Balance as at 30.06.2020	**68,260**	**(67,423)**	**25**	**5,236**	**6,098**
Unaudited					
Balance as at 01.01.2021	71,623	(69,294)	25	1,880	4,234
Issuance of share capital, net of expenses	1,913	-	-	-	1,913
Total comprehensive loss for the period	-	(926)	-	-	(926)
Balance as at 30.06.2021	**73,536**	**(70,220)**	**25**	**1,880**	**5,221**

Notes to the Condensed Interim Financial Statements

1. Corporate information

Beverly JCG Ltd. (the "**Company**") is listed on the Catalist, the sponsor-supervised listing platform of Singapore Exchange Securities Trading Limited (the "**Singapore Exchange**" or "**SGX-ST**") and incorporated and domiciled in Singapore. The principal place of business and registered office is located at 600 North Bridge Road, #06-02 Parkview Square, Singapore 188778.

The principal activities of the Group are:

- Trading and distribution
- Aesthetic medical
- Event organisation and management consultancy*
- Investment and others

*This segment has been classified as discontinued operations.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's balance sheet and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies and method of computation adopted are consistent with the most recently audited financial statements for the year ended 31 December 2020 which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

Impact of Coronavirus (COVID-19)

On 30 January 2020, the World Health Organisation declared the outbreak a Public Health Emergency of International Concern which was subsequently characterised as a pandemic on 11 March 2020. In response to the pandemic, governments from different countries around the world have implemented containment measures to varying degrees in a bid to curb the spread of the virus.

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closure, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in Singapore and Malaysia, all of which have been affected by the spread of COVID-19 and resulted in a negative impact on the Group's financial performance for the financial period ended 30 June 2021.

Nevertheless, the Group and the Company have assessed that the going concerns basis of preparation of the financial statement for the financial year ended 30 June 2021 remained appropriate after taking into consideration the actions and measures set out in Note 2.3.

The Group has also considered the market conditions including the impact of the COVID-19 as at the reporting date in making estimates and judgements on the recoverability of assets as at 30 June 2021. The significant estimates and judgements applied are disclosed in Note 2.2.

As the global COVID-19 situation remains very fluid as at the date of announcement of these condensed interim financial statements, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021.

2.1 New and amended standards adopted by the Group

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the year ended 31 December 2020, except for the adoption of new or revised SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for the financial year beginning on or after 1 January 2021. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

2.2 Critical accounting estimates, assumptions and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as below:

(a) Expected credit loss ("ECL") of trade receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances. The forecast economic conditions and Group's historical credit loss experience may also not be representative of customer's actual default in the future.

The carrying amount of trade receivables as at 30 June 2021 is S$272,000 (31 December 2020: S$126,000).

(b) Expected Credit Loss ("ECL") of other receivables

The Group measures ECL for other receivables using general approach. Under the general approach, the loss allowance is measure at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances. The forecast economic conditions and Group's historical credit loss experience may also not be representative of customer's actual default in the future.

The carrying amount of other receivables as at 30 June 2021 is S$149,000 (31 December 2020: S$129,000).

c) *Valuation of intangible assets and tangible assets/liabilities through business combination*

Business combination is accounted for by applying the acquisition method. Purchase price allocation exercise requires a significant amount of management estimation, particularly in relation to the identification and valuation of intangible assets and assignment of their useful lives. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The fair value of such assets and liabilities are estimated by management and independent professional valuer where significant, or using the discounted cash flow method, which requires the Group to make an estimate of the expected future cash flows of the acquired business and choosing a suitable discount rate.

The carrying amount of goodwill as at 30 June 2021 is S$664,000 31 December 2020: S$664,000).

(d) Estimated impairment of non-financial assets

<u>Goodwill</u>

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. In performing the impairment assessment of the carrying amount of goodwill, the recoverable amounts of cash-generating units ("CGUs") in which the goodwill, are determined using higher of value-in-use ("VIU") calculation and fair value less cost to disposal. The assessment process involves significant management's estimates and is based on assumptions that are affected by future market and economic conditions. It also involves the use of significant judgements such as the forecasted revenue and operating expenses, sales growth rates, gross profit margin and discount rates applied to the VIU calculation.

Management has assessed that the recoverable amounts of the CGUs are more than the carrying values of the CGUs, and accordingly no impairment charge was recognised.

<u>Other non-financial assets</u>

Property, plant and equipment, intangible assets and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. In determining the recoverable value, an estimate of expected future cash flows from each asset or CGU and an appropriate discount rate is required to be made. An impairment exists when the carrying amount of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Management has assessed that there is no objective evidence or indication that the carrying amount of the Group's property, plant and equipment, intangible assets and investments in subsidiary corporations may not be recoverable as at the reporting date and accordingly an impairment assessment is not required.

2.3 Going concern

The following circumstances give rise to material uncertainties on the Group's and the Company's abilities to continue as going concerns and whether the use of the going concern assumption in the preparation of the accompanying financial statements of the Group and the Company is appropriate for the current financial year:

The Group and the Company incurred a total loss of S$1,675,000 (30 June 2020: S$2,848,000) and S$926,000 (30 June 2020: S$782,000) respectively and the Group also incurred net operating cash outflows of S$671,000 (30 June 2020: S$294,000) for the financial period ended 30 June 2021. As at 30 June 2021, the Group's current liabilities exceeded its current assets by S$61,000 (31 December 2020: S$520,000).

Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the condensed interim financial statements for the second quarter and financial period ended 30 June 2021 is appropriate after taking into consideration the following assumptions and measures:

(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 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. 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:

- 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.

- On 2 June 2021, the Company completed the allotment and issuance of 2,112,779,425 shares at an issue price of S$0.001 per share and 2,112,779,425 warrants pursuant to a deed poll executed by the Company on 28 April 2021, each convertible into one share at an exercise price of S$0.001 per W240531 Warrant, for an aggregate amount of S$2,112,779 under the 2021 Rights Cum Warrants Issue.

- The Company recently raised S$105,000 in July 2021 from private placement which will be used to fund future expansion through mergers and acquisitions and for the Group's working capital.

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.

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

If the Group and the Company are unable to continue in operational existence in the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities to current assets and liabilities respectively. The condensed interim financial statements do not include any adjustment which may arise from these uncertainties.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into four reportable segments as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different marketing strategies. For each of the strategic business units, the Board of Directors reviews the internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Trading and distribution: Trading and distribution of steel raw materials, consumables, instruments and semi-finished products for steel mills, iron and steel foundries and aluminum 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. This segment has been classified as discontinued operations.

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

4.1 Reportable Segments

<u>Segment Profits/Loss</u>

	Continuing Operations				Discontinued Operations
	Trading and distribution	Aesthetic medical and healthcare	Investment and others	Total	
	S$'000	S$'000	S$'000	S$'000	S$'000
1.1.2021 to 30.06.2021 Unaudited					
Segment revenue					
- External parties	173	3,828	-	4,001	-
- Related parties	-	-	-	-	-
Gross profit	9	1,900	-	1,909	-
Other income	9	264	25	298	-
Expenses					
- Distribution	(43)	(162)	-	(205)	-
- Administrative	(36)	(2,587)	(970)	(3,593)	-
- Finance	(1)	(155)	(7)	(163)	-
Loss before income tax	(62)	(740)	(952)	(1,754)	-
Income tax credit	-	79	-	79	-
Loss after income tax	(62)	(661)	(952)	(1,675)	-
Post-tax loss recognised on the remeasurement of disposal group to fair value less costs to sell	-	-	-	-	-
Net loss for the financial year	(62)	(661)	(952)	(1,675)	-

1.1.2020 to 30.06.2020 Unaudited	Continuing Operations: Trading and distribution S$'000	Continuing Operations: Aesthetic medical and healthcare S$'000	Continuing Operations: Investment and others S$'000	Continuing Operations: Total S$'000	Discontinued Operations S$'000
Segment revenue					
- External parties	76	2,154	-	2,230	118
- Related parties	-	-	-	-	-
Gross profit	9	928	-	937	58
Other income	17	134	58	209	50
Expenses					
- Distribution	(39)	(100)	-	(139)	(10)
- Administrative	(32)	(2,645)	(1,100)	(3,777)	(221)
- Finance	-	(62)	(8)	(70)	(11)
Loss before income tax	(45)	(1,745)	(1,050)	(2,840)	(134)
Income tax credit	-	103	6	109	17
Loss after income tax	(45)	(1,642)	(1,044)	(2,731)	(117)
Post-tax loss recognised on the remeasurement of disposal group to fair value less costs to sell	-	-	-	-	-
Net loss for the financial year	(45)	(1,642)	(1,044)	(2,731)	(117)

Segment Assets/Liabilities

30.06.2021 Unaudited	Trading and distribution S$'000	Aesthetic medical and healthcare S$'000	Investment and others S$'000	Total S$'000
Assets and liabilities				
Segment and consolidated total assets	7	8,405	840	9,252
Assets associated with disposal group	-	-	-	3,869
Consolidated total assets				13,121
Segment and consolidated total liabilities	19	7,449	1,307	8,775
Liabilities associated with disposal group	-	-	-	258
Consolidated total liabilities				9,033

30.06.2020 Unaudited	Trading and distribution S$'000	Aesthetic medical and healthcare S$'000	Event organisation and management consultancy S$'000	Investment and others S$'000	Total S$'000
Assets and liabilities					
Segment and consolidated total assets	767	9,232	4,178	333	14,510
Assets associated with disposal group	-	-		-	-
Consolidated total assets					14,510
Segment and consolidated total liabilities	41	6,131	318	1,724	8,214
Liabilities associated with disposal group	-	-		-	-
Consolidated total liabilities					8,214

4.2 Disaggregation of revenue

	Group 3 months ended		Group 6 months ended	
	30.06.2021 Unaudited S$'000	30.06.2020 Unaudited S$'000	30.06.2021 Unaudited S$'000	30.06.2020 Unaudited S$'000
At a point in time				
Aesthetic medical and healthcare				
- Malaysia	2033	628	3,828	2,154
Trading and distribution				
- Singapore	98	-	173	76
	2,131	628	4,001	2,230

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 30 June 2021 and 31 December 2020:

	Group		Company	
	30.06.2021 Unaudited S$'000	31.12.2020 Audited S$'000	31.06.2021 Unaudited S$'000	31.12.2020 Audited S$'000
Cash and bank balances and trade and other receivables (Amortised cost)	1,913	1,045	1,321	553
Trade and other payables and borrowings (Amortised cost)	8,453	8,221	2,205	2,503

6. Profit before taxation

6.1 Significant items

	Group 3 months ended		Group 6 months ended	
	30.06.2021 Unaudited S$'000	30.06.2020 Unaudited S$'000	30.06.2021 Unaudited S$'000	30.06.2020 Unaudited S$'000
Income				
Rental income	23	-	23	9
Fixed deposit interest income	-*	4	-*	8
Expenses				
Interest expense on borrowings	(26)	-	(41)	(15)
Interest expense on lease	(88)	(27)	(122)	(54)
Amortisation of intangible assets	(97)	(135)	(193)	(234)
Depreciation of property, plant and equipment	(241)	(499)	(740)	(835)
Foreign exchange loss	(5)	-	(5)	(2)

* Less than S$1,000

6.2 Related party transactions

In addition to the information disclosed elsewhere in the condensed interim financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group 3 months ended		Group 6 months ended	
	30.06.2021 Unaudited S$'000	**30.06.2020 Unaudited S$'000**	**30.06.2021 Unaudited S$'000**	**30.06.2020 Unaudited S$'000**
Sales to related parties	21	6	39	3
Other income	11	6	23	13
Cost of sales	4	3	21	12
Administrative expenses	-	-	3	-
Finance expenses	-*	-	1	-
	36	15	87	28

* Less than S$1,000

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group 3 months ended		Group 6 months ended	
	30.06.2021 Unaudited S$'000	**30.06.2020 Unaudited S$'000**	**30.06.2021 Unaudited S$'000**	**30.06.2020 Unaudited S$'000**
Current income tax	-	-	-	-
Deferred income tax	10	77	79	109
	10	77	79	109

8. Net Asset Value

	Group		Company	
	30.06.2021 Unaudited	**31.12.2020 Audited**	**30.06.2021 Unaudited**	**31.12.2020 Audited**
Net asset value per ordinary share (Singapore cents)	[illegible]	[illegible]	[illegible]	[illegible]

9. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3)

The following table presented the assets measured at fair value:

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group **30.06.2021** **Unaudited**				
<u>Financial assets</u>				
Assets of disposal group classified as held for sale	3,869	-	-	3,869
<u>Financial liabilities</u>				
Liabilities of disposal group classified as held for sale	258	-	-	258
Non-current borrowings	-	-	2,383	2,383
Group **31.12.2020** **Audited**				
<u>Financial assets</u>				
Assets of disposal group classified as held for sale	3,869	-	-	3,869
<u>Financial liabilities</u>				
Liabilities of disposal group classified as held for sale	258	-	-	258
Non-current borrowings	-	-	2,633	2,633

10. Intangible assets

	Group	
	30.06.2021 Unaudited S$'000	31.12.2020 Audited S$'000
<u>Composition:</u>		
Goodwill arising on consolidation	664	664
Trademark/brand	582	775
	1,246	1,439

(a) Goodwill arising on consolidation

	Group	
	30.06.2021 Unaudited S$'000	**31.12.2020 Audited S$'000**
Cost		
Beginning financial year	664	22,118
Acquisition of subsidiary corporations		
Remeasurement of disposal group classified as held-for-sale	-	(179)
Disposal group classified as held-for-sale	-	(21,275)
End of financial year	664	664
Accumulated impairment		
Beginning of financial year	-	17,997
Disposal group classified as held-for-sale	-	(17,997)
End of financial year	-	-
Net book value	664	664

(b) Trademark/brand

	Group	
	30.06.2021 Unaudited S$'000	**31.12.2020 Audited S$'000**
Cost		
Beginning and end of financial year	1,160	1,160
Accumulated amortisation and impairment		
Beginning of financial year	385	-*
Amortisation charge	193	385
End of financial year	578	385
Net book value	582	775

* Less than S$1,000

11. Property, Plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to S$507,000 (30 June 2020: S$44,000) and disposed of assets amounting to S$Nil (30 June 2020: S$Nil).

12. Borrowings

	Group		Company	
	30.06.2021 Unaudited S$'000	31.12.2020 Audited S$'000	30.06.2021 Unaudited S$'000	31.12.2020 Audited S$'000
(a) Lease liabilities (office and medical centre)				
Current	687	769	66	144
Non-current	1,787	2,053	-	-
	2,474	2,822	66	144
(b) Borrowings				
Current				
Borrowings				
- Loan 1	-	-	946	965
- Loan 2	321	317	-	-
- Loan 3	154	65	-	-
Bank overdraft	105	177	-	-
Finance lease liabilities	46	16	-	-
Invoice financing	493	249	-	-
	1,119	824	946	965
Non-current				
Borrowings				
- Loan 2	439	580	-	-
- Finance lease liabilities	157	-	-	-
	596	580	-	-
Total borrowings	4,189	4,226	1,012	1,109

The Group and the Company are not exposed to significant changes in interest rates as the borrowings are at fixed interest rates.

(i) Loan 1 from subsidiary corporations is unsecured, interest-free and is due for repayable on demand.

(ii) Loan 2 is secured by a corporate guarantee from the Company and a personal guarantee by certain directors of the Company. The loan bears an interest rate of 1.50% per annum over the bank's prevailing 1 month effective cost of funds on monthly rests.

(iii) Loan 3 from a related company relates to loan from Beverly Bangsar Sdn Bhd ("**BBSB**"), a director-related company which bears an interest rate of 5.00% per annum.

(iv) Bank overdraft is secured by corporate guarantee from the Company and its subsidiary corporation as well as guarantee by certain directors of the Company. The bank overdraft bears an interest rate of 0.75% per annum over the bank's base lending rate on daily rests.

(v) Invoice financing is secured by corporate guarantee from the Company and its subsidiary corporation as well as guarantee by certain directors of the Company. The invoice financing bears an interest rate of 0.75% per annum over the bank's base lending rate.

(vi) Finance lease liabilities are secured by the motor vehicle and medical equipment acquired under the lease arrangements.

13. Share capital

	30.06.2021 Unaudited		31.12.2020 Audited	
	No. of ordinary shares '000	Amount S$'000	No. of ordinary shares '000	Amount S$'000
Group and Company				
Beginning of financial year	15,814,936	71,623	15,383,882	67,460
Issuance of capital, net of expenses	2,112,780	1,913	427,807	800
Conversion of warrants	-	.	3,247	11
Expiry of warrants	-	.	-	3,498
.Warrants adjustments	-	.	-	(146)
End of financial year	17,927,716	73,536	15,814,936	71,623

Other Information required by Listing Rule Appendix 7.2

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 March 2021	15,814,936,164	71,623
Balance as at 30 June 2021	17,927,715,589	73,536

On 2 June 2021, the Company completed the allotment and issuance of 2,112,779,425 shares at an issue price of S$0.001 per share and 2,112,779,425 warrants pursuant to a deed poll executed by the Company on 28 April 2021 (the "**W240531 Warrants**"), each convertible into one share at an exercise price of S$0.001 per W240531 Warrant, for an aggregate amount of S$2,112,779 (the "**2021 Rights Cum Warrants Issue**"). Accordingly, the total number of ordinary shares of the Company increased from 15,814,936,164 shares to 17,927,715,589 shares.

There were no treasury shares and subsidiary holdings as at 30 June 2020 and 30 June 2021.

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

	Company 30.06.2021	Company 31.12.2020
Total number of issued shares excluding treasury shares	17,927,715,589	15,814,936,164

There were no treasury shares during and as at end of the financial period ended 30 June 2021 and as at the end of the financial year ended 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 condensed consolidated statement of financial position of Beverly JCG Ltd. and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable. The condensed consolidated statement of financial position of Beverly JCG Ltd. and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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 2020 was subject to a disclaimer opinion.

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

Assets, liabilities and results of the Group's aesthetic business in Taiwan

China iMyth Company Pte Ltd ("**China iMyth**"), 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.

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.

(b) The Board confirms that the impact of the outstanding audit issue 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 2020 ("**FY2020**").

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

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.

The Group does not expect any significant impact arising from applying these amendments.

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		Group	
	3 months ended		6 months ended	
	30.06.2021 Unaudited	30.06.2020 Unaudited	30.06.2021 Unaudited	30.06.2020 Unaudited
Basic (Singapore cents) (1)	(0.004)	(0.007)	(0.008)	(0.013)
Diluted (Singapore cents) (2)	(0.004)	(0.007)	(0.008)	(0.013)

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$606,000 for 3 months period ended 30 June 2021 (30 June 2020: S$1,036,000) and loss attributable to equity holders of the Company of approximately S$1,333,000 for 6 months period ended 30 June 2021 (30 June 2020: S$2,040,000) divided by the weighted average number of shares of 16,153,447,785 shares (30 June 2020: 15,776,430,805 shares).

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

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

	Group		Company	
	30.06.2021 Unaudited	31.12.2020 Audited	30.06.2021 Unaudited	31.12.2020 Audited
Net assets (S$'000)	4,088	3,840	5,221	4,234
Number of ordinary shares in issue ('000)	17,927,716	15,814,936	17,927,716	15,814,936
Net assets 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 Condensed Interim Statement of Comprehensive Income of the Group

i) Revenue

	2Q2021	2Q2020	Variance	
	S$'000	S$'000	S$'000	%
Trading and distribution	98	-	98	100%
Medical aesthetics	2,033	628	1,405	224%
Total	2,131	628	1,503	239%

The Group's revenue from its trading and distribution business for 2Q2021 was S$0.098 million, an increase of 100% or S$0.098 million as compared to the revenue of S$Nil million in the previous corresponding financial period ended 30 June 2020 ("2Q2020"). There was no steel trading transaction in 2Q2020.

The medical aesthetic segment recorded revenue of S$2.033 million during 2Q2021, an increase of S$1.405 million compared to corresponding period in 2Q2020 of S$0.628 million. The low level of revenue recorded in 2Q2020 was due to the commencement of the Movement Control Order ("**MCO**") in Malaysia in March 2020 arising from the Covid-19 pandemic. Increased marketing efforts in 2021 such as the launch of BW Elite Club program and the Premium Beauty Package program in 2Q2021 which offered attractive promotions, discounts, products and benefits, helped to capture market share and expand our customer base and increase the revenue in 2Q2021. Increasing digital marketing efforts in search engine marketing ("**SEM**") and search engine optimization ("**SEO**") and engagement of influencers to reach out to more customers on social media helped to further boost revenue in 2Q2021. Apart from that, newly incorporated entities in 2020 had also contributed to the increase in revenue in 2Q2021 as compared to 2Q2020.

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

The Group's gross profit from operations increased by 270% or S$0.750 million from S$0.278 million in 2Q2020 to S$1.028 million in 2Q2021. The increase was mainly due to increase in revenue in both the trading and distribution and medical aesthetic segments that resulted in increased gross profit.

iv) Other income

Other income increased by S$0.072 million from S$0.161 in 2Q2020 to S$0.233 million in 2Q2021 mainly due to gain from modification of lease as a result of partial termination of lease and adjustment in lease amounts of our medical centres in Malaysia and rental income from sublet of office and medical centre in Malaysia of S$0.143 million and S$0.023 million respectively and offset by decrease in Job Support Scheme government grant, wages subsidy from the Malaysian government and interest income from fixed deposit. ***[***

iv) Selling and distribution expenses

Selling and distribution expenses increased by S$0.066 million from S$0.030 million in 2Q2020 to S$0.096 million in 2Q2021. The increase was mainly due to more digital marketing expenses such as SEM and SEO incurred in 2Q2021 to increase business visibility and rankings in organic search results.

v) Administrative expenses

Administrative expenses decreased by S$0.135 million from S$1.898 million in 2Q2020 to S$1.763 million in 2Q2021. The administrative expenses incurred during the period ended 30 June 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 2Q2020 and decrease in depreciation of property, plant and equipment in 2Q2021.

Amortisation of intangible assets

Amortisation of intangible assets decreased by S$0.038 million or 28% from S$0.135 million in 2Q2020 to S$0.097 million in 2Q2021 mainly due to absence of amortisation of customer relationships from Brand X Lab Pte Ltd which had been classified as discontinued operations.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment decreased by S$0.258 million or 52% from S$0.499 million in 2Q2020 to S$0.241 million in 2Q2021 mainly due to decrease in the carrying amount of the right-of-use asset arising from lease modification as a result of partial termination of lease and adjustment in lease amounts of our medical centres in Malaysia. Accordingly, there is a decrease in amortization of right-of-use asset. This decrease is partially offset by additions of property, plant and equipment comprising primarily dental equipment and renovation.

Foreign exchange loss

Foreign exchange loss increased by S$0.005 million or 100% from S$Nil million in 2Q2020 to S$0.005 million in 2Q2021 mainly due to Malaysian ringgit currency exchange difference.

vi) Finance expenses

Finance expenses increased by S$0.085 million or 293% from S$0.029 million in 2Q2020 to S$0.114 million in 2Q2021. The increase is mainly due to increase in interest expense on lease of S$0.061 million or 226% from S$0.027 million in 2Q2020 to S$0.088 million in 2Q2021 due to additions of lease liabilities for medical centres for Natasha Beverly Sdn Bhd and Beverly Ipoh Sdn Bhd which were newly incorporated entities in FY2020. There is also an increase in interest expense on borrowings from S$Nil in 2Q2020 to S$0.026 million in 2Q2021. The increase is due to the bank loan from the Malaysia bank whereby the facility only commenced in August 2020.

vii) Income tax credit

Income tax credit decreased by S$0.067 million from S$0.077 million in 2Q2020 to S$0.010 million in 2Q2021. The decrease was mainly due to decrease in 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.

viii) Loss from discontinued operations

The loss from discontinued operations has decreased from S$0.052 million in 2Q2020 to S$Nil million in 2Q2021 due to the Group having classified Brand X Lab Pte Ltd as disposal group classified as held-for-sale in FY2020.

Review of the Condensed Interim Balance Sheet of the Group

ix) Assets

(a) Total assets of the Group increased by S$0.401 million from S$12.720 million as at 31 December 2020 to S$13.121 million as at 30 June 2021 mainly due to:

- increase in cash and cash equivalents of S$0.721 million from S$0.293 million as at 31 December 20220 to S$1.014 million as at 30 June 2021 due to the net proceeds from the 2021 Rights cum Warrants issue of S$1.913 million, offset by cash used in operating activities, investing activities and other financing activities. Refer to "Review of the Cash Flow Statements of the Group" in para 9(xiv) for further details; and

- increase in trade and other receivables and inventories of S$0.147 million and S$0.073 million respectively which is in line with the increase in level of sales activities in 2Q2021;

- offset by decrease in intangible assets of S$0.193 million due to amortization of intangible assets of S$0.193 million during the 6 months period ended 30 June 2021; and

- decrease in property, plant and equipment of S$0.347 million mainly due to depreciation of S$0.740 million during the 6 months period ended 30 June 2021, offset by additions of property, plant and equipment amounting to S$0.507 million during the 6 months period ended 30 June 2021.

(b) On the Company's balance sheet, the investment in subsidiary corporations amounting to S$2.417 million as at 30 June 2021 and 31 December 2020 comprise cost of investment in Albedo Corporation Pte Ltd and JCG-Beverly Pte Ltd, the holding company for the Beverly Wilshire Group of companies in Malaysia, amounting to S$0.352 million and S$2.065 million respectively.

x) Liabilities

(a) Total liabilities increased by S$0.153 million from S$8.880 million as at 31 December 2020 to S$9.033 million as at 30 June 2021 mainly due to:

- increase in trade and other payables of S$0.269 million mainly due to increase in advances from customers of S$0.646 million offset by decrease in other payables of S$0.499 million;

- increase in borrowings of S$0.311 million mainly arising from increase in finance leases, invoice financing, and loan from a related company, BBSB, of S$0.187 million, S$0.244 million and S$0.089 million respectively and offset by decrease in bank overdraft and decrease in bank loan of S$0.072 million and S$0.137 million respectively;

- offset by decrease in lease liabilities of S$0.348 million due to repayment of lease liabilities for our offices and medical centres; 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$0.079 million due to recognition as deferred tax credit in the income statement during the 6 months period ended 30 June 2021.

xii) Assets of disposal group classified as held-for-sale
Liabilities directly associated with disposal group classified as held-for-sale
Non-current assets classified as held-for-sale

The Company had on 16 February 2021 entered into an unwinding and settlement agreement with TSY in respect of the mutual agreement by TSY and the Company to unwind the acquisition of BXL.

(a) In accordance with SFRS(I) 5 *Non-current Asset Held for Sale and discontinued Operations*, the entire assets and liabilities of BXL amounting to S$3.869 million and S$0.258 million respectively are classified and presented as “Assets of disposal group classified as held-for-sale” and “Liabilities directly associated with disposal group classified as held-for-sale” on the Group’s balance sheet as at 30 June 2021 and 31 December 2020. In connection with the reclassification, the assets of disposal group classified as held-for-sale and liabilities directly associated with disposal group classified as held-for-sale were written down to their fair value less costs to sell of S$3.611 million.

(b) On the Company’s balance sheet as at 30 June 2021 and 31 December 2020, the fair value less costs to sell of S$3.611 million for BXL is recorded as “Non-current assets classified as held-for-sale”.

xiii) Negative working capital

As at 30 June 2021, the Group’s total assets exceeded its total liabilities by S$4.088 million; however, the Group had negative working capital of S$0.061 million mainly due to the current portion of lease liabilities (office and medical centre) amounting to S$0.687 million as at 30 June 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 JCGB had on 24 January 2020, formed a strategic joint venture with NSC under a special purpose vehicle, 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 11 August 2020, incorporated a 56% owned subsidiary, NBASB. NBSB had on 1 January 2021 entered into a non-binding 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.

(ii) 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. 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 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.

(b) Fund raising exercises:

- 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.

- On 2 June 2021, the Company completed the allotment and issuance of 2,112,779,425 shares at an issue price of S$0.001 per share and 2,112,779,425 warrants pursuant to a deed poll executed by the Company on 28 April 2021, each convertible into one share at an exercise price of S$0.001 per W240531 Warrant, for an aggregate amount of S$2,112,779 under the 2021 Rights Cum Warrants Issue.

- The Company recently raised S$105,000 in July 2021 from private placement which will be used to fund future expansion through mergers and acquisitions and for the Group’s working capital.

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

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

Review of the Condensed Interim Consolidated Statement of Cash Flows of the Group

xiv) Cash flow

Net cash used in operating activities in 2Q2021 amounted to S$1.018 million. The operating cash outflows before movement in working capital was S$0.372 million. The net cash outflows from the changes in working capital of approximately S$0.646 million was mainly due to decrease in trade and other payables of S$0.472 million. The increase in net cash used in operating activities in 2Q2021 compared to 2Q2020 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$0.646 million in 2Q2021 compared to S$1.024 million in 2Q2020.

Net cash used in investing activities for 2Q2021 amounted to S$0.269 million due to the purchase of property, plant and equipment; in particular, Beverly Dentistree Sdn Bhd and Natasha Beverly Dental Sdn Bhd purchased dental equipment and renovation for S$0.111 million and S$ 0.151 million respectively during the 2Q2021.

Net cash generated from financing activities for 2Q2021 amounted to S$1.774 million due to net proceeds from rights issue, proceeds from bank overdraft and bank deposits discharged of S$1.913 million, S$0.114 million and S$0.010 million respectively and offset by bank deposits pledged, repayment of lease liabilities, repayment of finance lease and repayment of borrowings of S$0.039 million, S$0.049 million, S$0.006 million, and S$0.144 million respectively.

As a result of the above, cash and cash equivalents were S$0.847 million as at 30 June 2021 as compared to negative S$0.573 million as at 30 June 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

Formation of Strategic Joint Venture with NSC

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 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. 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

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

On 2 June 2021, the Company completed the allotment and issuance of 2,112,779,425 shares at an issue price of S$0.001 per share and 2,112,779,425 warrants pursuant to a deed poll executed by the Company on 28 April 2021, each convertible into one share at an exercise price of S$0.001 per W240531 Warrant, for an aggregate amount of S$2,112,779 under the 2021 Rights Cum Warrants Issue.

Private Placement

The Company recently raised S$105,000 in July 2021 from a private placement which will be used to fund future expansion through mergers and acquisitions and for the Group's working capital.

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 224% from S$0.628 million to S$2.033 million. Increased marketing efforts in 2021 such as the launch of BW Elite Club program and the Premium Beauty Package program in 2Q2021 which offered attractive promotions, discounts, products and benefits, helped to capture market share and expand our customer base and increase the revenue in 2Q2021. Increasing digital marketing efforts in SEM and SEO and engagement of influencers to reach out to more customers on social media helped to further boost revenue in 2Q2021. Apart from that, newly incorporated entities in 2020 had also contributed to the increase in revenue in 2Q2021 as compared to 2Q2020. The net loss attributable to equity holders of the Company for the financial period ended 30 June 2021 decreased 42% from S$1.036 million to S$0.606 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 30 June 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 30 June 2021 amounted to approximately S$87,000. This represents 2.26% of the Group's latest audited net tangible assets as at 31 December 2020 of S$3,840,000, 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$38,000.

Other than the above, the Group did not enter into any IPT of S$100,000 or more in value per transaction for 2Q2021.

15. Use of Proceeds

As at 13 August 2021, the net proceeds from the 2021 Rights Cum Warrants Issue had been utilised as follows:

	Allocation of net proceeds raised S$'000	Amount utilised before 14-Jun-21 S$'000	Amount utilised from 14-Jun-21 to 13-Aug-21 S$'000	Amount unutilised as at 13-Aug-21 S$'000
Proceeds from 2021 Rights Cum Warrants Issue				
(i) For general working capital needs	956	(667)	(289)	-
(ii) For the future expansion of the Group, including but not limited to mergers with and acquisitions of similar businesses	956	-	(353)	603
Total Amount	1,913	(667)	(642)	603

Notes:

The net proceeds from the 2021 Rights Cum Warrants Issue amounted to S$1.913 million in aggregate. The amounts utilised for general working capital were used mainly in relation to administrative and operating expenses, in accordance with the intended use as stated in the announcements dated 2 June 2020, 5 June 2020, 29 June 2020 and 18 March 2021.

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

14 August 2021