

BEVERLY JCG LTD.

Company Registration No. 200505118M

BEVERLY JCG LTD (F.K.A JCG INVESTMENT HOLDINGS LTD)

SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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 Catalyst.

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

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group 3 months ended		Increase/ (Decrease)	Group 6 months ended		Increase/ (Decrease)
	30.06.2020 Unaudited S\$'000	30.06.2019 Unaudited S\$'000		30.06.2020 Unaudited S\$'000	30.06.2019 Unaudited S\$'000	
	Revenue	633		717	(12%)	
Cost of Sales	(347)	(439)	(21%)	(1,353)	(450)	201%
Gross Profit	286	278	3%	995	348	186%
Gross Profit Margin	45%	39%		42%	44%	
Other income	202	1	20100%	259	1	25800%
Other losses	-	(32)	(100%)	-	(32)	(100%)
Selling and distribution expenses	(30)	(16)	88%	(149)	(32)	366%
Administrative expenses	(1,991)	(634)	214%	(3,998)	(1,473)	171%
Finance expenses	(34)	(4)	750%	(81)	(184)	(56%)
Loss for the financial period before income tax	(1,567)	(407)	285%	(2,974)	(1,372)	117%
Income tax credit	74	-	100%	126	-	100%
Net loss	(1,493)	(407)	267%	(2,848)	(1,372)	108%
Other comprehensive loss:						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation (loss)/ income	(1)	13	(108%)	(1)	51	(102%)
Other comprehensive (loss)/ income, net of tax	(1)	13	(108%)	(1)	51	(102%)
Total comprehensive loss	(1,494)	(394)	279%	(2,849)	(1,321)	116%
Loss attributable to:						
Equity holders of the Company	(1,036)	(394)	163%	(2,040)	(1,338)	52%
Non-controlling interests	(457)	(13)	3415%	(808)	(34)	2276%
Net loss for the financial period	(1,493)	(407)	267%	(2,848)	(1,372)	108%
Loss attributable to:						
Equity holders of the Company	(1,037)	(385)	169%	(2,041)	(1,297)	57%
Non-controlling interests	(457)	(9)	4978%	(808)	(24)	3267%
Total comprehensive loss for the financial period	(1,494)	(394)	279%	(2,849)	(1,321)	116%

Notes to Consolidated Statement of Comprehensive Income

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	3 months ended			6 months ended		
	30.06.2020	30.06.2019		30.06.2020	30.06.2019	
	Unaudited	Unaudited	Unaudited	Unaudited		
	S\$'000	S\$'000		S\$'000	S\$'000	
Interest expense on borrowings	(4)	(5)	(20%)	(22)	(34)	(35%)
Interest expense on lease	(30)	-	100%	(59)	-	100%
Amortisation of intangible assets	(116)	-	100%	(234)	-	100%
Depreciation of property, plant and equipment	(513)	(19)	2600%	(864)	(28)	2986%
Rental income	-	-	-	9	-	100%
Fixed deposit interest income	4	-	100%	8	-	100%
Share options adjustment	-	141	(100%)	-	141	(100%)
Unwinding of imputed interest	-	-	-	-	(151)	(100%)
Foreign exchange loss	-	(8)	(100%)	(2)	(13)	(85%)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at 30.06.2020 Unaudited S\$'000	As at 31.12.2019 Audited S\$'000	As at 30.06.2020 Unaudited S\$'000	As at 31.12.2019 Audited S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	1,219	1,354	4	114
Trade and other receivables	1,728	1,945	720	289
Inventories	507	538	-	-
Total current assets	3,454	3,837	724	403
Non-current assets				
Investment in subsidiary corporations	-	-	7,203	7,203
Property, plant and equipment	5,636	6,781	237	316
Intangible assets	5,420	5,657	-	-
Total non-current assets	11,056	12,438	7,440	7,519
Total assets	14,510	16,275	8,164	7,922
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	4,199	2,767	1,255	900
Borrowings	982	1,020	470	450
Lease liabilities (office and medical centre)	630	793	140	124
Current income tax liabilities	18	128	-	-
Total current liabilities	5,829	4,708	1,865	1,474
Non-current liabilities				
Borrowings	60	103	-	-
Lease liabilities (office and medical centre)	1,656	2,251	111	188
Trade and other payables	90	180	90	180
Deferred income tax liabilities	579	688	-	-
	2,385	3,222	201	368
Total liabilities	8,214	7,930	2,066	1,842
Net assets	6,296	8,345	6,098	6,080
Capital and reserves attributable to equity holders of the Company				
Share capital	68,260	67,460	68,260	67,460
Other reserves	5,244	5,245	5,261	5,261
Accumulated losses	(67,981)	(65,941)	(67,423)	(66,641)
Share capital and reserves	5,523	6,764	6,098	6,080
Non-controlling interests	773	1,581	-	-
Total equity	6,296	8,345	6,098	6,080

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

	As at 30.06.2020		As at 31.12.2019	
	Unaudited		Audited	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(i) Finance leases ^(a)	19	-	21	16
(ii) Bank loan	-	92	-	82
(iii) Bank overdraft ^(b)	871	-	901	-

Amount repayable after one year

	As at 30.06.2020		As at 31.12.2019	
	Unaudited		Audited	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(i) Finance leases ^(a)	-	-	-	-
(ii) Bank loan	-	60	-	103
(iii) Bank overdraft ^(b)	-	-	-	-

Details of any collateral

- (a) Finance leases are secured by the motor vehicle acquired under the lease arrangement.
- (b) Bank overdraft is secured by a debenture of fixed and floated charge over the assets of a subsidiary corporation and jointly and severally guarantee by certain directors of the Company. The bank overdraft is repayable on demand.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			
	3 months ended		6 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000
Cash flows from operating activities				
Net loss	(1,493)	(407)	(2,848)	(1,372)
Adjustment for:				
Income tax credit	(74)	-	(126)	-
Depreciation of property, plant and equipment	513	19	864	28
Amortisation of intangible assets	116	-	234	-
Gain due to modification of lease	(10)	-	(37)	-
Share options adjustment	-	(141)	-	(141)
Loss on deconsolidation of subsidiary corporations	-	32	-	32
Unwinding of imputed interest	-	-	-	151
Unrealised currency translation gain	36	12	41	50
Interest income	-	-	-	-
Interest expense	34	5	81	34
Operating cash flows before movements in working capital	(878)	(480)	(1,791)	(1,218)
Trade and other receivables	68	37	217	101
Inventories	(10)	-	31	-
Trade and other payables	966	511	1,342	919
Cash generated from/(used in) operations	146	68	(201)	(198)
Income tax paid	-	(86)	(93)	(86)
Interest income	-	-	-	-
Interest expense	-	-	-	-
Net cash generated from/(used in) operating activities	146	(18)	(294)	(284)
Cash flow from investing activities				
Purchase of property, plant and equipment	(27)	(13)	(44)	(48)
Net cash inflow on acquisition of a subsidiary corporation	-	148	-	148
Net cash (used in)/generated from investing activities	(27)	135	(44)	100

	Group			
	3 months ended		6 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000
Cash flows from financing activities				
Bank deposit pledged	(171)	-	(171)	-
Proceeds from issuance of new shares	-	-	800	4,000
Proceeds from conversion of warrants	-	-	-	8
Repayment of lease liability	(261)	(9)	(492)	(9)
Repayment of finance lease	-	-	(18)	-
Repayment of borrowings	(14)	(13)	(34)	(3,506)
Interest paid	(4)	(4)	(22)	(33)
Net cash (used in)/ generated from/financing activities	(450)	(26)	63	460
Net (decrease)/increase in cash and cash equivalents	(331)	91	(275)	276
Cash and cash equivalents at the beginning of the financial period	(241)	1,799	(297)	1,613
Effect of currency translation on cash and cash equivalents	(1)	1	(1)	2
End of the financial period	(573)	1,891	(573)	1,891

Represented by:

	Group			
	3 months ended		6 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000
Cash at bank and on hand	1,219	1,891	1,219	1,891
Less: bank deposits pledged	(921)	-	(921)	-
Less: bank overdrafts	(871)	-	(871)	-
Cash and cash equivalents per consolidated statement cash flows	(573)	1,891	(573)	1,891

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital S\$'000	Currency translation reserves S\$'000	Accumulated losses S\$'000	Share option reserve S\$'000	Warrant reserve S\$'000	Attributable to equity holders of company S\$'000	Non-controlling interest S\$'000	Total S\$'000
Unaudited								
Balance as at 01.01.2019	53,871	(10)	(63,106)	278	3,507	(5,460)	137	(5,323)
Conversion of warrants	13	-	-	-	(5)	8	-	8
Issuance of share capital	7,785	-	-	-	-	7,785	-	7,785
Acquisition of a subsidiary corporation	3,350	-	-	-	-	3,350	-	3,350
Share options lapsed	-	-	-	(141)	-	(141)	-	(141)
Total comprehensive loss for the period	-	-	(1,338)	-	-	(1,338)	(34)	(1,372)
Other comprehensive loss	-	41	-	-	-	41	10	51
Deconsolidation of subsidiary corporations	-	-	-	-	-	-	(1)	(1)
Balance as at 30.06.2019	65,019	31	(64,444)	137	3,502	4,245	112	4,357
Unaudited								
Balance as at 01.01.2020	67,460	(16)	(65,941)	25	5,236	6,764	1,581	8,345
Issuance of share capital	800	-	-	-	-	800	-	800
Total comprehensive loss for the period	-	-	(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	773	6,296

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 01.01.2019	53,871	(61,152)	278	3,507	(3,496)
Conversion of warrants	13	-	-	(5)	8
Issuance of share capital	7,785	-	-	-	7,785
Acquisition of a subsidiary corporation	3,350	-	-	-	3,350
Share options lapsed	-	-	(141)	-	(141)
Total comprehensive loss for the period	-	(1,273)	-	-	(1,273)
Balance as at 30.06.2019	65,019	(62,425)	137	3,502	6,233
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

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of shares	Share capital S\$'000
Balance as at 31 December 2019	15,383,882,179	67,460
Balance as at 30 June 2020	15,811,689,664	68,260

Pursuant to the Subscription Agreement entered into in November and December 2019 between the Company and certain subscribers amounted to S\$800,000 in aggregate, the Company had on 16 January 2020, completed the allotment and issuance to the subscribers of 427,807,485 ordinary shares at an issue price of S\$0.00187 and 85,561,497 investment warrants, each convertible into one ordinary share at an exercise price of S\$0.002. Accordingly, the total number of ordinary shares of the Company increased from 15,383,882,179 shares to 15,811,689,664 shares.

There were no treasury shares and subsidiary holdings as at 30 June 2020 and 30 June 2019.

- 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 30.06.2020	Company 31.12.2019
Total number of issued shares excluding treasury shares	15,811,689,664	15,383,882,179

There were no treasury shares during and as at end of the financial period ended 30 June 2020 and as at the end of the financial year ended 31 December 2019.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable as the Company did not have any treasury shares as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable as the Company did not have any subsidiary holdings during and as at the end of the current financial period reporting on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

**(a) updates on the efforts taken to resolve each outstanding audit issue; and
(b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

The latest financial statements of the Group for the financial year ended 31 December 2019 was subject to a disclaimer opinion.

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

(i) Independent review on the recoverability of advances and/or loans and goodwill

As announced by the Company on 30 March 2020, BDO LLP (the "Independent Reviewer"), which was appointed by the Company to conduct the independent review, has completed the independent review. The Company is in the process of formulating its response and proposal to address the issues raised, and implement the recommendations proposed, in the independent review report. The Company will provide updates to SGX and shareholders in due course and at the appropriate juncture.

(ii) Consolidation of financial statement – iMyth Taiwan Limited

Management has the intention to dispose of iMyth Taiwan and will provide updates to shareholders in due course and at the appropriate juncture.

(iii) Existence and completeness of cash and bank balances

Due to COVID-19 and the Malaysia Movement Control Order ("MCO"), management was unable to obtain the bank confirmations for the bank accounts for two of our Malaysia subsidiaries as at the date of the Auditors' Report on 15 April 2020. The Board would like to update that these bank confirmations have been received on 17 April 2020 and 20 April 2020.

(b) The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

5. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except disclosed in Para 6 below, the same accounting policies and methods of computation have been adopted for the current reporting year as compared with the most recent audited financial statements of the Company for the financial year ended 31 December 2019 ("FY2019").

6. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Amendments to SFRS(l) 3 Business Combination (effective for annual periods beginning on or after 1 January 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(l) 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 January 2020. Early application is permitted. 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	
	30.06.2020 Unaudited	30.06.2019 Unaudited	30.06.2020 Unaudited	30.06.2019 Unaudited
Basic (Singapore cents) ⁽¹⁾	(0.007)	(0.003)	(0.013)	(0.012)
Diluted (Singapore cents) ⁽²⁾	(0.007)	(0.003)	(0.013)	(0.012)

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\$1,036,000 for 3 months period ended 30 June 2019 (30 June 2019: S\$394,000) and loss attributable to equity holders of the Company of approximately S\$2,040,000 for 6 months period ended 30 June 2019 (30 June 2019: S\$1,338,000) divided by the weighted average number of shares of 15,776,430,805 shares (30 June 2019: 11,325,702,228 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	
	30.06.2020 Unaudited	31.12.2019 Audited	30.06.2020 Unaudited	31.12.2019 Audited
Net assets (S\$'000)	6,296	8,345	6,098	6,080
Number of ordinary shares in issue ('000)	15,811,690	15,383,882	15,811,690	15,383,882
Net assets value per ordinary share (Singapore cents)	0.04	0.05	0.04	0.04

9. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Income Statement of the Group

i) Revenue

	2Q2020	2Q2019	Variance	
	S\$'000	S\$'000	S\$'000	%
Trading and distribution	-	154	(154)	(100%)
Medical aesthetics	629	69	560	812%
Event organisation and management consultancy	4	494	(490)	(99%)
Total	633	717	(84)	(12%)

The Group's revenue from its trading and distribution business for 2Q2020 was S\$Nil million, a decrease of 100% or S\$0.154 million as compared to the revenue of S\$0.154 million in the previous corresponding financial period ended 30 June 2019 ("2Q2019").

The medical aesthetic segment recorded revenue of S\$0.629 million during 2Q2020, an increase of S\$0.560 million compared to corresponding period in 2Q2019 of S\$0.069 million. The increase is due to Beverly Wilshire Medical Centre Group in Malaysia, acquired by the Group in November 2019, which generated revenue of S\$0.629 million.

The event organisation and management consultancy segment for 2Q2020 was S\$0.004 million, a decrease of 99% or S\$0.490 million as compared to the revenue of S\$0.494 million in the previous corresponding financial period ended 30 June 2019 ("2Q2019").

ii) Cost of sales

The decrease in cost of sales is in line with the decrease in revenue.

iii) Gross profit

The Group's gross profit from operations increased by 3% or S\$0.008 million from S\$0.278 million in 2Q2019 to S\$0.286 million in 2Q2020. The increase was mainly due to reversal of over accrued of cost of sales for event organisation and management consultancy business segment.

iv) Other income

Other income increased by S\$0.201 million from S\$0.001 million in 2Q2019 to S\$0.202 million in 2Q2020 mainly due to increase government grants, property tax and rental rebates.

v) Other losses

Other losses decreased by S\$0.032 million from S\$0.032 million in 2Q2019 to S\$Nil in 2Q2020 as there were no deconsolidation of subsidiary corporations in 2Q2020.

vi) Administrative expenses

Administrative expenses increased by S\$1.357 million from S\$0.634 million in 2Q2019 to S\$1.991 million in 2Q2020. The administrative expenses incurred during the period ended 30 June 2020 are mainly operational costs, including staff costs, directors' remunerations and professional fees. The increase was mainly due to operation costs amounting to S\$1.336 million arising from the newly acquired subsidiary corporations, Beverly Wilshire Medical Centre Group.

vii) Finance expenses

During the financial period under review, finance expenses increased by S\$0.030 million or 750% from S\$0.004 million in 2Q2019 to S\$0.034 million in 2Q2020. The increase mainly due to increase in interest on lease amounting to S\$0.030 million.

viii) Depreciation of property, plant and equipment

During the financial period under review, the depreciation of property, plant and equipment increased by S\$0.494 million or 2600% from S\$0.019 million in 2Q2019 to S\$0.513 million in 2Q2020 was mainly due to the depreciation generated from newly acquired subsidiary corporations, Brand X Lab Pte Ltd and Beverly Wilshire Medical Centre Group in FY2019.

Review of the Financial Position of the Group

ix) Assets

Total assets of the Group decreased by S\$1.765 million from S\$16.275 million as at 31 December 2019 to S\$14.510 million as at 30 June 2020. This was due to decrease in cash and cash equivalents, trade and other receivables, inventories, property, plant and equipment and intangible assets of S\$0.135 million, S\$0.217 million, S\$0.031 million, S\$1.145 million and S\$0.237 million respectively.

x) Liabilities

Total liabilities increased by S\$0.284 million from S\$7.930 million as at 31 December 2019 to S\$8.214 million as at 30 June 2020 due to increase in trade and other payables of S\$1.342 million and offset by decrease in borrowings, lease liabilities, current income tax liabilities and deferred income tax liabilities of S\$0.081 million, S\$0.758 million, S\$0.110 million and S\$0.109 million respectively.

xi) Negative working capital

As at 30 June 2020, the Group's total assets exceeded its total liabilities by S\$6.296 million; however, the Group had negative working capital of S\$2.375 million. Notwithstanding this, the Board and Management is of the view that the Group is able to continue as a going concern due to the following:

(a) New subsidiary corporations/joint venture companies:

- The Group acquired Brand X Lab on 15 April 2019. Brand X Lab is a private limited company incorporated in Singapore and it provides event organisation and promotion services as well as business and management consultancy services.

-
- The Group had completed the acquisition of a controlling interests of 51% in Beverly Wilshire Medical Centre Group on 7 November 2019. Beverly Wilshire Medical Centre Group 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.
 - 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 under a special purpose vehicle, Natasha Beverly Sdn Bhd ("Natasha Beverly"). Natasha Beverly's principal activities are medical aesthetics clinic and other health maintenance procedures such as medi-spa, chiropractor and physiotherapy.
 - JCGB had on 7 April 2020, formed a strategic joint venture with Chong Yee Leng ("Dr Elaine") under a SPV, Beverly Ipoh Sdn Bhd. The joint venture's principal activities are aesthetic medicine and related activities. JCGB had on 23 April 2020 entered into a non-binding term sheet with Dr Elaine to establish a joint venture for the purposes of providing aesthetic medicine procedures. The Term Sheet had lapsed on 14 May 2020. Subsequently, JCGB had on 8 June 2020 entered into a new non-binding term sheet (the "New Term Sheet") with Dr Elaine for the proposed transaction.

(b) Fund raising exercises:

- The Company recently raised a total of S\$1,300,000 from private placements which will be used to fund future expansion through mergers and acquisitions and for the Group's working capital.
- 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.
- The Company had obtained shareholders' approval on 29 June 2020 for the proposed renounceable non-underwritten rights cum warrants issue (the "Rights Cum Warrants Issue") of up to 6,802,407,763 new ordinary shares (the "Shares") in the capital of the Company (the "Rights Shares") at an issue price of S\$0.001 (the "Issue Price") per Rights Share, with up to 6,802,407,763 free detachable warrants (the "Warrants"), on the basis of one (1) Rights Share for every three (3) existing Shares held by Entitled Shareholders (as defined below) as at a record date to be determined by the Directors (the "Record Date"), fractional entitlements to be disregarded, and one (1) Warrant for every one (1) Rights Share subscribed.

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 Cash Flow Statements of the Group

xii) Cash flow

Net cash generated from operating activities in 2Q2020 amounted to S\$0.146 million. The operating cash outflows before movement in working capital was S\$0.878 million. The net cash inflow from the changes in working capital of approximately S\$1.024 million was mainly due to a increase in trade and other payables of S\$0.966 million.

Net cash used in investing activities for 2Q2020 amounted to S\$0.027 million due purchase of property, plant and equipment.

Net cash used in financing activities for 2Q2020 amounted to S\$0.450 million due to bank deposit pledged, repayment of borrowings, lease liability and interest paid of S\$0.171 million, S\$0.014 million, S\$0.261 million and S\$0.004 million respectively.

Cash and cash equivalents were negative position of S\$0.573 million as at 30 June 2020 as compared to positive position of S\$1.891 million as at 30 June 2019.

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 subsequent to the financial year ended 31 December 2019. The Group is cognisant of the challenges posed by these developing events, in particular, the MCO in Malaysia and the potential impact they have on our business sector. 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

Acquisition of Beverly Wilshire Medical Centre Group

Beverly JCG acquired a controlling interest in Beverly Wilshire Medical Centre Group on 7 November 2019. This brings to the Group an established player in Malaysia in the healthcare industry with their core business in medical and dental aesthetics, healthy ageing wellness and regenerative therapies, cosmetic surgery and hair restoration. Beverly Wilshire is a multi-award-winning integrated beauty care and medical aesthetics group established in 2012. It manages and operates two (2) fully-licensed Ministry of Health of Malaysia medical centres, in addition to three (3) licenced aesthetics clinics in Kuala Lumpur, Petaling Jaya and Johore Bahru.

Formation of Strategic Joint Venture with Natasha Skincare (Malaysia) Sdn Bhd

The Company's wholly-owned subsidiary JCG-Beverly Pte Ltd has on 24 January 2020, formed a strategic joint venture with Natasha Skincare (Malaysia) Sdn Bhd under a SPV, Natasha Beverly Sdn Bhd. The joint venture's principal activities will include a medical aesthetics clinic and other health maintenance procedures such as medi-spa, chiropractor and physiotherapy. Natasha Skincare is a leading beauty brand in Indonesia with more than 100 outlets. The joint venture will positively benefit JCG.

Formation of Strategic Joint Venture with Dr Chong Yee Leng

The Company's wholly-owned subsidiary JCG-Beverly Pte Ltd has on 7 April 2020, formed a strategic joint venture with Dr Chong Yee Leng under a SPV, Beverly Ipoh Sdn Bhd. The joint venture's principal activities are aesthetic medicine and related activities.

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

Private Placements

The Company recently raised a total of S\$1,300,000 from private placements which will be used to fund future expansion through mergers and acquisitions and for the Group's working capital.

Bank Facilities

Beverly Wilshire Medical Centre Sdn Bhd (“BWMC”), a 51% owned subsidiary of the Company, had on 28 May 2020 entered into a letter of offer with a Malaysian bank in relation to the grant of banking facilities of up to RM7 million to BWMC.

Rights Cum Warrants Issue

The Company had obtained shareholders’ approval on 29 June 2020 for the proposed renounceable non-underwritten rights cum warrants issue (the “Rights Cum Warrants Issue”) of up to 6,802,407,763 new ordinary shares (the “Shares”) in the capital of the Company (the “Rights Shares”) at an issue price of S\$0.001 (the “Issue Price”) per Rights Share, with up to 6,802,407,763 free detachable warrants (the “Warrants”), on the basis of one (1) Rights Share for every three (3) existing Shares held by Entitled Shareholders (as defined below) as at a record date to be determined by the Directors (the “Record Date”), fractional entitlements to be disregarded, and one (1) Warrant for every one (1) Rights Share subscribed.

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 812% from S\$0.069 million to S\$0.629 million with only 3 months of revenue contribution from Beverly Wilshire Group. The Group’s administrative expenses increased 214% from S\$0.634 million to S\$1.991 million. The increase was mainly due to operation costs amounting to S\$1.336 million arising from the newly acquired subsidiary corporations, Beverly Wilshire Medical Centre Group. The net loss attributable to equity holders of the Company for the financial period ended 30 June 2020 increased 163% from S\$0.394 million to S\$1.036 million. The Group’s net asset value per ordinary share has maintained at positive S\$0.04 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 2020.

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 did not enter into any IPT of S\$100,000 or more in value per transaction for 2Q2020. The Group does not have a general mandate from shareholders for IPTs.

15. Use of Proceeds

As at 13 August 2020, the net proceeds from the share subscriptions in January 2020 had been utilised as follows:

	Allocation of net proceeds raised S\$'000	Amount utilised before 6-May-20 S\$'000	Amount utilised from 6-May-20 to 13-Aug-20 S\$'000	Amount unutilised as at 13-Aug-20 S\$'000
(A) Proceeds from share subscription in January 2020				
(i) Working Capital	240	(240)	-	-
(ii) Funding growth, development and expansion of existing medical aesthetics and healthcare business and exploration of new business opportunities as and when they arise	560	(303)	(69)	188
Total Amount	800	(543)	(69)	188

Notes:

(A) The proceeds from the share subscription raised in January 2020 pursuant to subscription agreements entered into in November and December 2019 with certain subscribers amounted to S\$800,000 in aggregate. The Company announced that 70% of the proceeds shall be used for funding growth, development and expansion of existing medical aesthetics and healthcare business and exploration of new business opportunities as and when they arise and 30% will be used for the working capital of the Company.

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 2020**