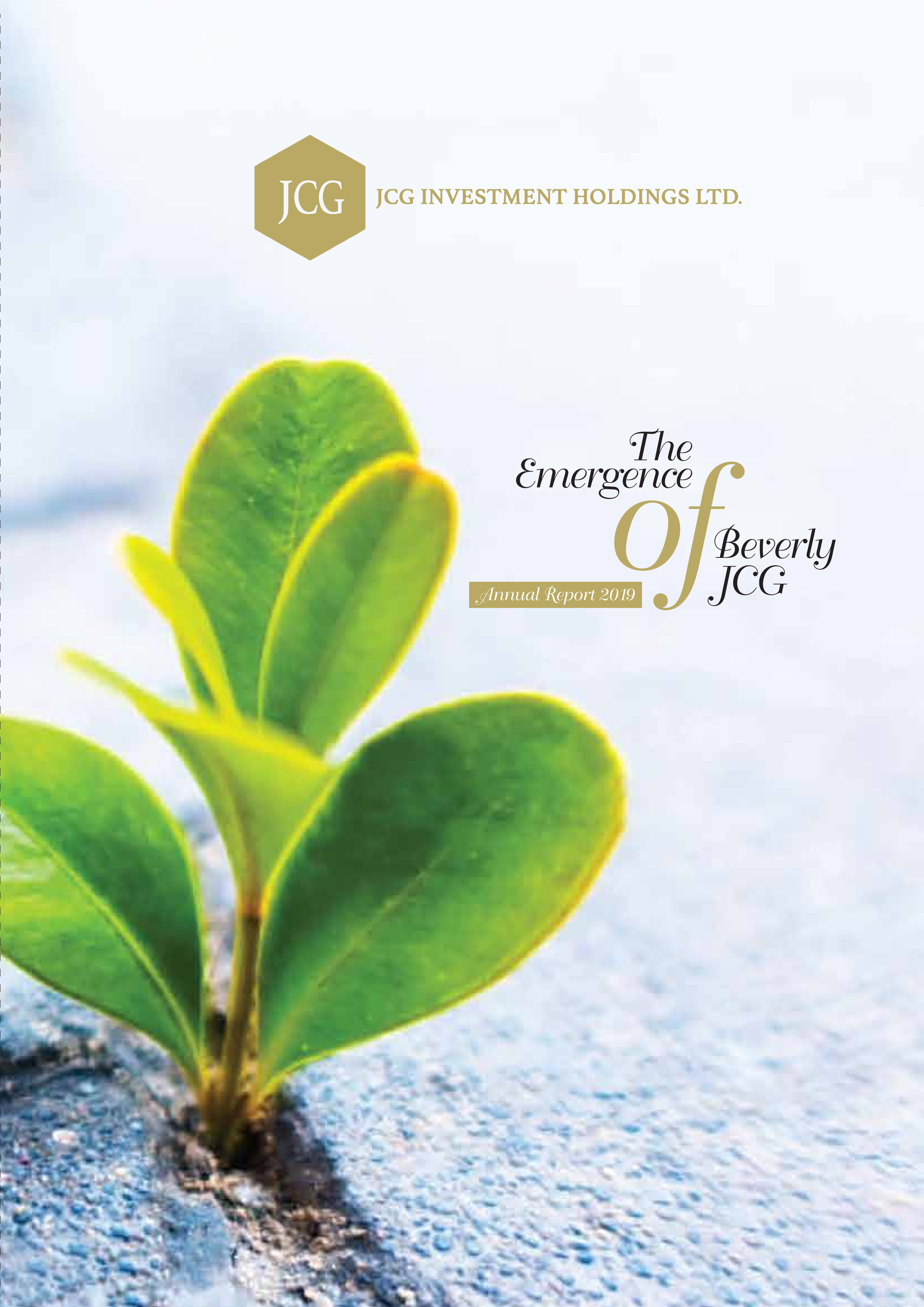
JCG INVESTMENT HOLDINGS LTD.

The Emergence of Beverly JCG

Annual Report 2019



CONTENTS

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Ms Vanessa Ng (Telephone: +65 6389 3065 and Email: vanessa.ng@morganlewis.com).

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, it is my pleasure to present to you the annual report of JCG Investment Holdings Ltd. ("JCG" or the "Company" and, together with its subsidiaries, the "Group") for the financial year ended 31 December 2019 ("FY2019").

2019 was a significant year for the Group. The board of directors conducted a thorough review of our Group's business and decided that the medical aesthetics and wellness industry is a sunrise business to be in. We shall, therefore, focus our resources to expand the healthcare business as our core business which commands an attractive PE multiple in SGX and other bourses internationally.

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

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

BW will also operate Natasha@Beverly, our latest joint venture ("JV") with a well-known brand, Natasha Skin Care Group in Indonesia, specializing in aesthetic skin care with more than 150 outlets in Indonesia. BW will benefit from Natasha's referrals from Indonesia to do plastic and healthy aging procedures in BW both in KL and JB. This JV with Natasha is extremely exciting as it enables each company in the group to tap on their respective strengths, as well as to add combined synergies to enhance our market network for mutual benefit. Furthermore, Natasha Beverly has recently incorporated a strategic joint venture company, Spinalive Beverly Sdn. Bhd. ("Spinalive Beverly") with Spinalive Sdn Bhd, which is primarily in the business of chiropractic, physiotherapy and complementary medicine. Spinalive Sdn Bhd currently has two outlets in Malaysia and will operate a new outlet under Spinalive Beverly offering these services in collaboration with Natasha Beverly.

The acquisition of BW group of companies by JCG is in line with the Group's focus on the core business and our strategy to become a recognized regional player and household name in the near future. Our planned organic growth and more targeted growth via mergers and acquisitions will generate a positive impact on our Group in future.

I am honored yet humbled to join JCG as your Chairman of the Board of Directors. My Board of Directors and I, shall do our all to enhance stakeholders' value, take care of minority interests and we shall achieve this with transparency and good corporate governance. Coupled with my strong passion for the healthcare industry and my last 7 years of intense involvement in our core business, I bring to the Group my 50 years of experience as a professional and as an entrepreneur. Together with my technical knowledge in our business, I shall provide the vision and strategies to the Group to surge successfully ahead in the mid-term. I shall, as your Chairman, guide the Group in the direction of success and put the Group on the trajectory for a sustained growth and profitability into the future.

Singapore is a well-known and world-renowned medical hub. I believe the medical aesthetics and wellness industry will be one filled with opportunities for the Group. By leveraging on its status as a company listed on the Catalist Board of the SGX-ST and expanding the BW brand and business into Singapore, this will provide the Group with an excellent platform at this opportune time to launch the BW brand and our Group to be a leading regional player in ASEAN plus Australia.

The recent JV between JCG-Beverly Pte Ltd and Natasha SkinCare (Malaysia) Sdn Bhd marks the start for our future expansion strategy together. Our future plans are encouraged by the reported statistics that the global medical aesthetics market is expected to grow at a compound annual growth rate of 10.6% during the years of 2018 to 2023 from US$10.3 billion to US$17.1 billion[1]. Increasing disposable incomes, rising patient awareness about beauty and youth as well as technical advancements have made Asia Pacific a lucrative market for the industry.

The Group's net assets has turned around from negative S$5.323 million in FY2018 to positive S$8.345 million in FY2019. The Group's net asset value per ordinary share has improved from negative S$0.06 cents in FY2018 to positive S$0.05 cents in FY2019. I am cautiously confident that, with an effective strategic plan and a strong management team to execute our plan, our Group is poised to grow successfully and steadily even during and after the ongoing COVID-19 economic and financial market crisis.

Forging Ahead!

The Group is committed to executing our business strategies meticulously and the Group remains cautiously optimistic for the year ahead. Going forward, I am also excited to welcome new developments, partnerships and joint ventures which will contribute to the maximization of the Group's growth potential.

On behalf of the Board, I take this opportunity to extend my appreciation and gratitude to our shareholders, business partners and customers for your unwavering continuous support. My team of staff both from JCG and BW and our Group, thank you for your continued dedication and passion in your work.

Together we are Stronger, Better and United.

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

BEVERLY WILSHIRE CSR : CLEFT LIP SURGERY BY DATO DR JALIL

1 Global Medical Aesthetics Market Forecast 2018 – 2023, https://www.marketsandmarkets.com/Market-Reports/medical-aesthetics-market-885.html

Revenue

The Group's year-on-year revenue increased 92% from S$1.658 million to S$3.179 million with only 2 months of revenue contribution from the newly acquired Beverly Wilshire Medical Centre Group in Malaysia.

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

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

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

Operating Result

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

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

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

Administrative expenses increased by S$2.101 million from S$2.042 million in FY2018 to S$4.143 million in FY2019. The administrative expenses incurred in FY2019 are mainly operational costs, including staff costs, directors' remunerations and professional costs. The increase was mainly due to the one-off charges for the corporate exercises completed during the year in FY2019. The increase was also due to operation costs amounting to S$0.345 million and S$0.715 million arising from the newly acquired subsidiaries, Brand X Lab Pte Ltd and Beverly Wilshire Medical Centre Group respectively.

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

Depreciation of property, plant and equipment increased by S$0.295 million or 615% from S$0.048 million in FY2018 to S$0.343 million in FY2019 was mainly due to the depreciation generated from newly acquired subsidiaries, Brand X Lab Pte Ltd and Beverly Wilshire Medical Centre Group.

As a result of the above, net loss attributable to equity holders of the Company for the financial year increased 52% from S$2.038 million in FY2018 to S$3.088 million in FY2019.

Assets and Liabilities

Total assets of the Group increased by S$14.011 million from S$2.264 million as at 31 December 2018 to S$16.275 million as at 31 December 2019. This was mainly attributable to provisional goodwill of S$3.457 million, trade and other receivables of S$0.633 million, and property, plant and equipment of S$0.073 million arising from Brand X Lab Pte Ltd which was acquired in April 2019. This was also attributable to provisional goodwill of S$0.832 million, trade and other receivables of S$0.893 million, inventories of S$0.538 million and property, plant and equipment of S$6.577 million, intangible assets of S$1.197 million arising from Beverly Wilshire Medical Centre Group which was acquired in November 2019. The increase was offset by decrease in cash and cash equivalents of approximately S$0.259 million due to cash used in operating activities.

Total liabilities increased by S$0.343 million from S$7.587 million as at 31 December 2018 to S$7.930 million as at 31 December 2019 due to the increase in the trade and other payables amounting to S$0.125 million, bank borrowings amounting to S$0.186 million, lease liabilities amounting to S$0.047 million and income tax amounting to S$0.121 million arising from Brand X Lab Pte Ltd which was acquired in April 2019. The increase in liabilities was also due to the trade and other payables amounting to S$1.514 million, bank borrowings amounting to S$0.938 million, lease liabilities amounting to S$2.685 million and deferred tax liabilities amounting to S$0.659 million arising from Beverly Wilshire Medical Centre Group which was acquired in November 2019. The increase was offset by conversion of the deferred payment liability of S$3.5 million into share capital and repayment of HK$20 million loan from Concorde Global Limited through a corporate exercise of debt-to-equity conversion and cash injection of S$4.0 million respectively.

The Group's net assets turned around from negative S$5.323 million to positive S$8.345 million. The Group's net asset value per ordinary share has improved from negative S$0.06 cents to positive S$0.05 cents.

Working Capital

As at 31 December 2019, the Group's total assets exceeded its total liabilities by S$8.345 million; however, it had negative working capital of S$0.871 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:

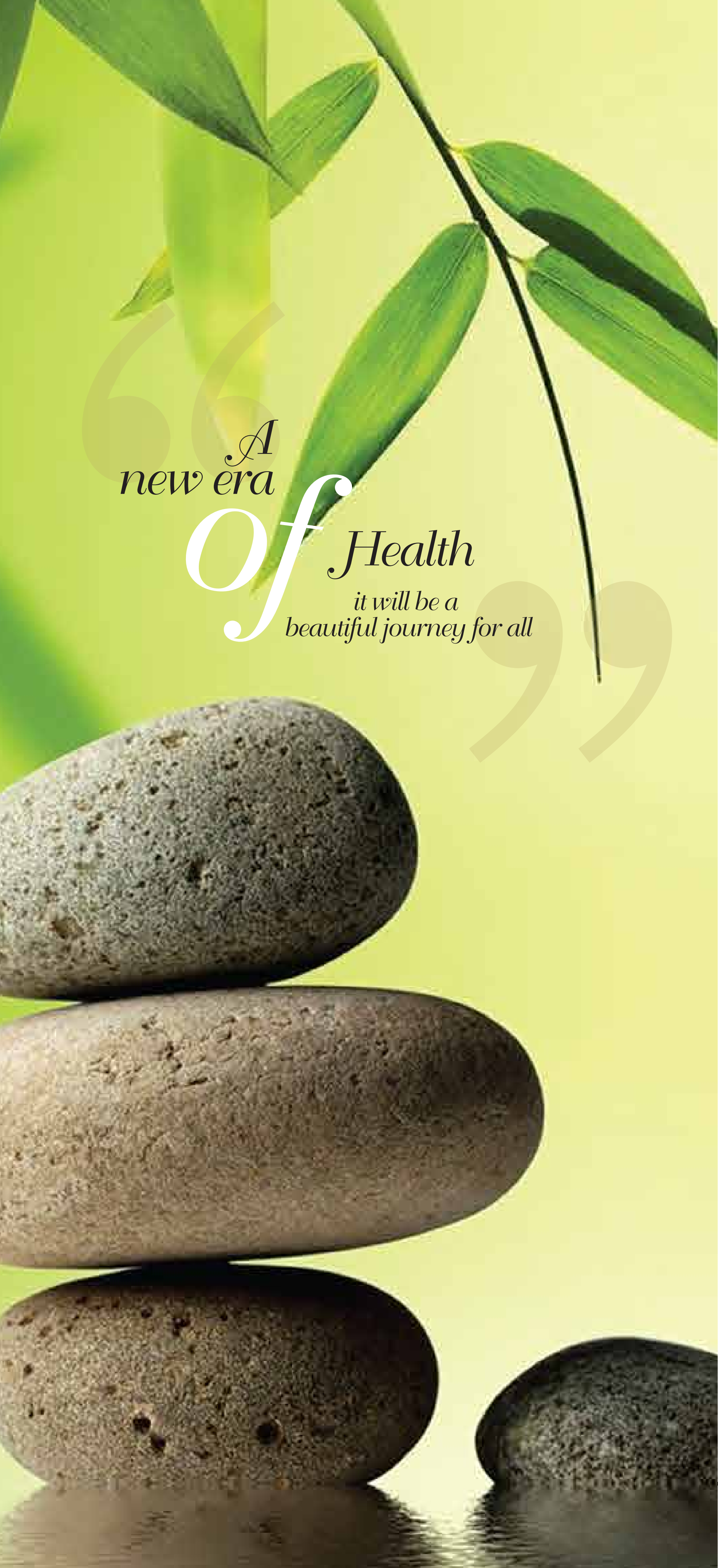
- The Group acquired Brand X Lab Pte Ltd. ("Brand X Lab") and the acquisition was completed on 15 April 2019. Brand X Lab is a private limited company incorporated in Singapore and it provides event organisation and promotion services as well as business and management consultancy service.

- The Group had recently completed the acquisition of a controlling interest in Beverly Wilshire Medical Centre Group on 7 November 2019. In addition, the Company's wholly-owned subsidiary JCG-Beverly Pte Ltd has on 24 January 2020, formed a strategic joint venture with Natasha Skincare (Malaysia) Sdn Bhd under a SPV, Natasha Beverly Sdn Bhd ("Natasha Beverly"). Natasha Beverly's principal activities include a medical aesthetics clinic and other health maintenance procedures such as medi-spa, chiropractor and physiotherapy. Furthermore, Natasha Beverly has on 10 March 2020 incorporated a strategic joint venture company, Spinalive Beverly Sdn. Bhd. ("Spinalive Beverly") with Spinalive Sdn Bhd. Spinalive Beverly's principal activities are chiropractic, traditional treatment and complementary medicine.

Barring any unforeseen circumstances, the Group expects these new subsidiaries to contribute positively to the Group's working capital position.

(b) 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.

(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 growth opportunities and all other possibilities to complement the existing businesses of the Group.



Cash Flow

Net cash used in operating activities in FY2019 amounted to S$1.247 million. The operating cash outflows before movement in working capital was S$1.991 million. The net cash inflow from the changes in working capital net of effects from the acquisition of subsidiary corporations of approximately S$0.858 million was mainly due to a decrease in trade and other receivables of S$1.634 million, offset by a decrease in trade and other payables of S$0.885 million.

Net cash used in investing activities for FY2019 amounted to S$0.591 million mainly due to cash outflow on acquisition of subsidiary corporations.

Net cash used in financing activities for FY2019 amounted to S$0.072 million due to fixed deposit placement, repayment of borrowings, lease liability, finance lease and interest paid of S$0.750 million, S$3.544 million, S$0.161 million, S$0.035 million and S$0.090 million respectively which was offset by proceeds from issuance of new shares of S$4.500 million.

Cash and cash equivalents were negative S$0.297 million as at 31 December 2019 as compared to positive S$1.613 million as at 31 December 2018.

BOARD OF DIRECTORS

From L-R: Mr Ang Kok Huan, Mr Cheung Wai Man, Raymond, Dr Lam Lee G, Dato' Ng Tian Sang @ Ng Kek Chuan, Mr Yap Siean Sin, Mr Howard Ng How Er

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

Dato' Ng Tian Sang @ Ng Kek Chuan was appointed as Non-Executive Chairman of the Company on 29 November 2019. Currently, he is also an Executive Chairman of Beverly Wilshire Medical Group of Companies. Dato' Ng launched his career after acquiring his Bachelor of Commerce Degree from University of Western Australia in 1971. Dato' Ng has served as Business Controller with IBM World Trade Corporation, Malaysia (1973-1979), Executive Chairman of Econstate Bhd., Chairman of PanGlobal Insurance Bhd and Executive Deputy Chairman of PanGlobal Bhd. (1995-1999) and Deputy President of Real Estate and Housing Developers Association (REHDA) (1997-1999). Dato' Ng also assumed the roles of Executive Deputy Chairman of Midwest Corporation Ltd (2006-2010) and Senior Independent Non-Executive Director of Tropicana Corporation Bhd. (2011-2015). Dato' Ng is a member of Malaysian Institute of Accountants (MIA), a member of Certified Public Accountants (CPA Aust) and a member of Australian Institute of Company Directors (AICD). He is also the International Honorary President of Western Australia Chinese Chamber of Commerce (WACCC).

BOARD OF DIRECTORS

Mr Ang Kok Huan
Executive Director and Chief Executive Officer

Mr Ang Kok Huan was appointed as Executive Director and Chief Executive Officer of the Company on 31 December 2018. Mr Ang started his career as a military officer with the Singapore Armed Forces where he served for 17 years before moving into the private sector. His experience in the private sector included working as an independent securities broker where he successfully developed and led the largest broker team over a period of less than two years. His most recent appointment was the role of Deputy Head of Fund Management Department at Phillip Securities Pte. Ltd. Mr Ang holds a Master of Business Administration (Investment & Finance) degree from the University of Hull, and a Bachelor of Business Administration (Honours) degree from the National University of Singapore, where he was a Singapore Armed Forces scholarship holder.

Mr Howard Ng How Er
Executive Director and Deputy Chief Executive Officer

Mr Howard Ng How Er was appointed as Executive Director of the Company on 29 November 2019. He was subsequently appointed as Deputy Chief Executive Officer of the Company on 23 December 2019. Mr Ng has been leading the Beverly Wilshire Medical Group of Companies since 2017, managing day to day operations and implementing strategic business plans. He has introduced new service offerings such as Orthopaedics and Men's Health to expand the Beverly Wilshire Medical Group's market reach. Prior to Beverly Wilshire Medical Group of Companies, Mr Ng was attached to Tropicana Danga Cove Sdn Bhd, a joint venture between two large property development companies in Malaysia with over 180 acres of development land within Iskandar Malaysia. Mr Ng has accumulated over 15 years of experience in various industries such as property development, fast moving consumer products (FMCG) and information technology. He holds a Bachelor of Economics from University of Western Australia.

Mr Yap Siean Sin
Independent Director

Mr Yap Siean Sin was appointed as an independent director of the Company on 27 June 2017. Mr Yap holds post-graduate qualifications in architecture as well as in town planning. Mr Yap has extensive experience as a consultant architect, town planner and also business management of numerous construction and property development projects in Malaysia, Singapore and PRC. He is a corporate member of the Royal Institute of British Architects, Malaysian Institute of Town Planners, Malaysian Institute of Architects, British Institute of Interior Design, and an Associate Member of the British Institute of Building Engineers. He holds a Bachelor of Science (Hons) degree in Architecture, a Post Graduate Diploma in Architecture from Robert Gordon University Aberdeen, UK and a Post Graduate Diploma in Town Planning from the University of Westminster London, UK.

BOARD OF DIRECTORS

Dr Lam Lee G.
Independent Director

Dr Lam Lee G. was appointed as an independent director of the Company on 14 May 2018. Currently, he is also Chairman of Hong Kong Cyberport Management Company Limited and Non-Executive Chairman - Hong Kong and ASEAN Region and Chief Adviser to Macquarie Infrastructure and Real Assets Asia. He started his career in Canada at Bell-Northern Research (the R&D arm of Nortel) and in Hong Kong at Hong Kong Telecom. He later joined Singapore Technologies Telemedia (then part of Temasek Holdings) and BOC International Holdings (the international investment banking arm of the Bank of China group) where he served as Vice-Chairman and Chief Operating Officer of its investment banking division. Until late 2006, Dr. Lam was President and Chief Executive Officer of Chia Tai Enterprises International (CP Group). He holds a BSc in Sciences and Mathematics, an MSc in Systems Science, an MBA from the University of Ottawa in Canada, an MPA and a PhD from the University of Hong Kong, an LLB (Honours) from Manchester Metropolitan University in the UK and an LLM from the University of Wolverhampton in the UK.

Mr Cheung Wai Man, Raymond
Independent Director

Mr Cheung Wai Man, Raymond was appointed as an independent director of the Company on 28 February 2019. Mr Cheung brings almost 20 years of insurance and finance experience, and currently works as a business and risk management consultant. He has extensive experience in technology business strategy, actuarial and capital modeling, product development, mergers and acquisition, credit ratings as well as risk management and compliance advisory. Mr Cheung founded BRCA Consultancy in 2014 to provide risk and compliance solutions for financial institutions in Asia. He was also the Regional Head of Insurance for Grab where he pioneered the structuring of innovative and cost-effective insurance solutions for Grab's operations in 8 countries in Asia. Before that, Mr Cheung was the Chief Risk Officer for AIG Asia Pacific and Asia Capital Reinsurance Group. Mr Cheung was actively involved in Singapore Actuarial Society, holding the appointments of Honorary Secretary for 9 years from 2011 to 2019. He also pioneered the Enterprise Risk Management (ERM) Committee in 2014 and has been appointed as the Chairman of Risk-Based Capital 2 (RBC2) Task force since 2012. He was also the trainer and faculty for the Advance Diploma Insurance Management Associate Programme (IMAP) and the ASEAN School for Young Insurance Managers (AYIM) programme with Singapore College of Insurance. Mr Cheung holds the Bachelor of Business (Actuarial Science major) with Nanyang Technological University. He is an Associate member of the Institute & Faculties of Actuaries, UK and Associate of Singapore Actuarial Society.

EXECUTIVE OFFICER

Ms Violet Seah Sin Yuen
Chief Financial Officer

Ms Violet Seah Sin Yuen was appointed the Chief Financial Officer of the Company on 31 December 2018. She is responsible for managing the entire spectrum of the Group's financial management and reporting functions. Ms Seah has extensive experience in accounting, audit, finance and taxation as well as capital market transactions including initial public offerings, mergers and acquisitions and cross border offerings. Prior to joining the Group, she held the position of Chief Financial Officer/Financial Controller in various companies. Ms Seah started her career in assurance and advisory where she was previously a Senior Manager from the Assurance, Advisory and Business Services, IPO Division of Ernst & Young LLP. Ms Seah graduated from Nanyang Technological University with a Bachelor Degree in Accountancy. She is a member of the Institute of Singapore Chartered Accountants and a member of Certified Public Accountants, Australia.

The board of directors (the "**Board**") of JCG Investment Holdings Ltd. (the "**Company**") recognises that good corporate governance is an important objective of the Company and its subsidiaries (the "**Group**") and believes that it will, in the long term, enhance return on capital through increased accountability.

The Company adheres closely to the principles and guidelines of the Code of Corporate Governance 2018 (the "**Code**") and other applicable laws, rules and regulations, including the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"). On 30 November 2018, the Company announced that, in light of the proposed re-direction back into the medical aesthetics and healthcare business in the PRC, and amidst certain new information brought to the attention of the Board, the Board has voluntarily decided to subject the internal controls processes and policies of the Company to an independent review (the "**Independent Review**"). For this purpose, the Company has engaged BDO LLP to, *inter alia*, look into the advances for the medical aesthetics business amounting to S$6,078,000 that were impaired and other key matters relating to the acquisition and subsequent impairment of investment in China iMyth Company Pte. Ltd.. In March 2020, BDO LLP issued the Independent Review report (the "**Report**"), and the Executive Summary of the Report was announced via SGXNET on 30 March 2020. The Company is in the process of formulating its response and proposal to address the issues raised and to implement the recommendations proposed in the Report. The Company will provide updates to shareholders in due course and at the appropriate juncture via SGXNET.

This report describes the Company's corporate governance processes and structures that are currently in place for the financial year ended 31 December 2019 ("**FY2019**"), with specific reference made to the principles and guidelines of the Code, and where applicable, deviations from the Code are explained.

(A) BOARD MATTERS

BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The current Board comprises six Directors - one Non-Executive Chairman, two Executive Directors and three Independent Directors and collectively has the appropriate mix of core competencies and diversity of experience, as below:

Dato' Ng Tian Sang @ Ng Kek Chuan (Non-Executive Chairman)
Mr Ang Kok Huan (Executive Director and Chief Executive Officer ("**CEO**"))
Mr Howard Ng How Er (Executive Director and Deputy Chief Executive officer ("**Deputy CEO**"))
Mr Yap Siean Sin (Independent Director)
Dr Lam Lee G (Independent Director)
Mr Cheung Wai Man, Raymond (Independent Director)

The primary function of the Board is to protect and enhance long-term value and returns for the Company's shareholders. The Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board sets appropriate tone from the top and desired organisational culture and ensures proper accountability within the Company. Any Director who face conflicts of interest will recuse himself from discussions and decisions involving the issues of conflict. Besides carrying out its statutory responsibilities, the Board's role is also to:

- appoint Directors and other key personnel and review their performance;
- provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- oversee processes relating to the Group's internal controls, risk management, financial performance, compliance practices and resource allocation;
- provide oversight in the proper conduct of the Group's business and assume responsibility for corporate governance;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interest and the Group's assets;
- identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

- set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- consider sustainability issues, such as environmental and social factors, as part of its strategic formulation.

The Board's approval is required for matters such as the Group's financial plans and annual budget, corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, acceptances of bank facilities, the release of the Group's quarterly and full year's financial results and interested person transactions of a material nature. In the course of deliberations, the Directors are obliged to act in good faith and consider at all times the interests of the Company.

A formal document setting out the following has been adopted by the Board:

(a) the matters reserved for the Board's decision; and
(b) clear directions to Management on matters that must be approved by the Board.

Apart from matters that specifically require the Board's approval, the AC currently approves disbursements of funds exceeding $50,000 and delegates authority for transactions below those limits to management so as to optimise operational efficiency. In additional, with effect from 25 February 2020, the engagement of professional services above S$30,000 is required to be approved by the Board.

The Board had formally met a total of four times and had convened several ad-hoc meetings in FY2019.

All Directors are familiar with their duties and responsibilities as Directors, and are expected to objectively discharge their duties and responsibilities as fiduciaries in the interests of the Company. The Company has in place an induction program whereby newly appointed Directors will be given briefings and orientation training by the top management of the Company on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as Directors. In addition, pursuant to Catalist rule 406(3)(a), a director who has no prior experience as a director of an issuer listed on the SGX-ST will undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. The Directors are briefed by professionals either during Board meetings or at separate meetings on accounting standards and regulatory changes which have an important bearing on the Company and the Directors' obligations to the Company. All the Audit Committee ("**AC**") members receive updates from the external auditors on updates to accounting issues which have a direct impact on financial statements. In addition, the Board encourages its members to participate in seminars and receive training at the Company's expense to improve themselves and develop and maintain their skills and knowledge in the discharge of their duties as directors.

While the Directors have not attended any training for FY2019, the external auditors ("**EA**") had briefed the AC on changes or amendments to accounting standards.

All Directors are to be from time to time furnished with information concerning the Group to enable them to be fully cognisant of the decisions and actions of the Group's executive management. Management is to provide the Board with unrestricted access to the Company's records and information and complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. In order to enable the Independent Directors to understand the Group's business, the business and financial environment as well as the risks faced by the Group, the Management is to provide, *inter alia*, the following information to the Independent Directors:

1) board papers (with background or explanatory information relating to the matters brought before the Board, where necessary);
2) updates to the Group's operations and the markets in which the Group operates in; and
3) external auditors' report(s)

The Constitution of the Company provides for Directors to convene meetings by teleconferencing or other similar means e.g. videoconferencing. When a physical Board meeting is not possible, timely communication with members of the Board can be achieved through electronic means.

The agenda for Board meetings is prepared in consultation with the Non-Executive Chairman. Agendas and board papers (where relevant) are prepared for each meeting and will normally be circulated in advance of each meeting. Senior members of management staff are available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board meetings, or by external consultants engaged on specific projects.

The Board has separate and independent access to the Company Secretary and Management at the Company's expense at all times in carrying out their duties. Each Director has separate and independent access to external advisers and the right to seek independent legal and other professional advice as and when necessary to enable him to discharge his responsibilities effectively, the cost of such professional advice will be borne by the Company.

The appointment and the removal of the Company Secretary is a decision for the Board as a whole. The Company Secretary and/or a representative of the Company Secretary attends all meetings of the Board and Board Committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The minutes of Board and Board Committees' meetings are circulated to the Board.

To assist the Board in its functions, the Board has established various Board Committees, namely the AC, Remuneration Committee ("**RC**"), Nominating Committee ("**NC**") and the Risk Management Committee ("**RMC**") which were constituted with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. During FY2019, the AC was made up solely of Independent Directors. On 10 January 2020, the RC was reconstituted to comprise solely of Independent Directors and Non-Executive Directors. Save for the RMC which is made up of a majority of Independent Directors and Non-Executive Directors, all Board Committees are made up of a majority of Independent Directors and the effectiveness of each committee is regularly monitored by the Board.

DELEGATION BY THE BOARD

AUDIT COMMITTEE

As at the date of this Annual Report, the AC comprises three Independent Directors as follows:

Dr Lam Lee G (Chairman)
Mr Yap Siean Sin
Mr Cheung Wai Man, Raymond

All current members of the AC are non-executive directors, all of whom are considered to be independent.

The AC is guided by the Code when performing its functions.

Its duties include, *inter alia*, overseeing the quality and integrity of the accounting, auditing, internal controls and financial practices of the Group and its exposure to risks of a regulatory and legal nature. It also reviews the effectiveness of the Company's systems of accounting and internal controls.

In FY2019, the AC had formally met a total of four times.

Further details about the AC may be found on pages 25 and 26 of this report.

NOMINATING COMMITTEE

As at the date of this Annual Report, the NC comprises two Independent Directors and one Executive Director as follows:

Mr Yap Siean Sin (Chairman)
Dr Lam Lee G
Mr Ang Kok Huan

Under its terms of reference, the principal functions of the NC are:

- to make recommendations to the Board on all Board's appointments and re-nominations;
- to propose objective performance criteria to evaluate the Board's performance;
- to assess and determine annually the independence of the Directors; and
- to assess whether any Director, who has multiple board representations, is able to and has been adequately carrying out his duties as a Director.

The NC had formally met once in FY2019 and had convened several ad-hoc meetings. It has also implemented a process for assessing the effectiveness of the Board as a whole.

Further details about the NC may be found on pages 16 and 17 of this report.

REMUNERATION COMMITTEE

Following the appointment of Dato' Ng Tian Sang @ Ng Kek Chuan as a member of the RC on 10 January 2020 and the relinquishment of Mr Ang Kok Huan's appointment as a member of the RC on 10 January 2020, the RC was reconstituted on 10 January 2020 as follows:

Mr Yap Siean Sin (Chairman)
Dr Lam Lee G
Dato' Ng Tian Sang @ Ng Kek Chuan

The Remuneration Committee comprises three (3) members, of which two (2) members, including the Chairman of the Remuneration Committee, are Independent Directors and one (1) member is a Non-Executive Director.

Under its terms of reference, the principal functions of the RC are, *inter alia*:

- to recommend the Non-Executive and Executive Directors' (if applicable) remuneration to the Board;
- to review and approve the CEO's and senior management's remuneration; and
- to review all benefits and long-term incentive schemes (including share option schemes) and compensation packages for the Directors and senior management.

In FY2019, the RC had formally met once and had convened one ad-hoc meeting.

Further details about the RC can be found on page 21 of this report.

RISK MANAGEMENT COMMITTEE

To assist the Board with the governance of risk and with ensuring that Management maintains a sound system of risk management and internal controls, the RMC was established on 10 January 2020 and its composition is as follows:

Mr Ang Kok Huan (Chairman)
Dato' Ng Tian Sang @ Ng Kek Chuan
Mr Howard Ng How Er
Mr Yap Siean Sin
Dr Lam Lee G
Mr Cheung Wai Man, Raymond

Under its terms of reference, the principal functions of the RMC are, *inter alia*:

- to review and recommend appropriate risk management strategies, policies and risk tolerances in line with the Group's business objectives for the Board's approval to safeguard shareholders' investments and the Company's assets;
- to review and recommend new investment projects to the Board;
- to ensure the ability of the Group to meet changes in significant risks and respond to constant changes to the business and/or external environment;
- to ensure that risk management and internal control systems are available to manage the risk and corrective measures undertaken to address failings and/or weaknesses;
- to ensure the effectiveness of measures deployed by the Management to address those risks (i.e. accept, avoid, transfer or mitigate the risks);
- to obtain the assurance from the Management that the risk management and internal control system is operating adequately and effectively in all material aspects; and
- to promote healthy risk culture and observe dysfunctional trends that could undermine the performance of risk management process.

Further details about the RMC can be found on page 24 of this report.

The Directors attend and actively participate in Board and Board Committee meetings. The number of meetings held by the Board and Board Committees[1] and attendance thereat during FY2019 are as follows

	BOARD		AC		RC		NC	
DIRECTORS	**No. of meetings**	**Attended**	**No. of meetings**	**Attended**	**No. of meetings**	**Attended**	**No. of meetings**	**Attended**
Hano Maeloa[2]	5	1	4	-	1	1	1	1
Chang Shyre Gwo[3]	5	1	4	1	1	1	1	1
Ang Kok Huan[4]	5	5	4	4	1	1	1	1
Yap Siean Sin	5	5	4	4	1	1	1	1
Lam Lee G	5	5	4	4	1	1	1	1
Cheung Wai Man, Raymond[5]	5	4	4	3	1	-	1	-
Dato' Ng Tian Sang @ Ng Kek Chuan[6]	5	1	4	-	1	-	1	-
Howard Ng How Er[7]	5	1	4	-	1	-	1	-

Notes:

(1) As the Risk Management Committee was newly established on 10 January 2020, there were no Risk Management Committee meetings held in FY2019.

(2) Mr Hano Maeloa resigned as a Director of the Company on 28 February 2019. Pursuant to his cessation, Mr Hano Maeloa also ceased to be the Non-Executive Chairman of the Company and a member of the Remuneration Committee and Nominating Committee. The announcement relating to Mr Hano Maeloa's cessation as a Director of the Company was released via SGXNET on 28 February 2019.

(3) Ms Chang Shyre Gwo resigned as a Director of the Company on 28 February 2019. Pursuant to her cessation, Ms Chang Shyre Gwo also ceased to be a Non-Executive Director of the Company and a member of the Audit Committee. The announcement relating to Ms Chang Shyre Gwo's cessation as a Director of the Company was released via SGXNET on 28 February 2019.

(4) Mr Ang Kok Huan was re-designated to CEO and Interim Executive Chairman of the Company on 28 February 2019. The announcement relating to Mr Ang Kok Huan's re-designation was released via SGXNET on 28 February 2019. Pursuant to the reconstitution of the Board Committees on 28 February 2019, Mr Ang Kok Huan was appointed as a member of the Remuneration Committee and Nominating Committee on 28 February 2019. Mr Ang Kok Huan was subsequently re-designated to Executive Director and Chief Executive Officer of the Company on 29 November 2019. Pursuant to the reconstitution of the Remuneration Committee on 10 January 2020, Mr Ang Kok Huan stepped down as a member of the Remuneration Committee.

(5) Mr Cheung Wai Man, Raymond was appointed as an Independent Director of the Company on 28 February 2019. The announcement relating to Mr Cheung Wai Man, Raymond's appointment was released via SGXNET on 28 February 2019. Mr Cheung Wai Man, Raymond was appointed as a member of the Audit Committee on 28 February 2019.

(6) Dato' Ng Tian Sang @ Ng Kek Chuan was appointed as a Non-Executive Director and Non-Executive Chairman of the Company on 29 November 2019. The announcement relating to Dato' Ng Tian Sang's appointment was released via SGXNET on 29 November 2019. Pursuant to the reconstitution of the Remuneration Committee on 10 January 2020, Dato' Ng Tian Sang @ Ng Kek Chuan was appointed as a member of the Remuneration Committee.

(7) Mr Howard Ng How Er was appointed as an Executive Director of the Company on 29 November 2019. The announcement relating to Mr Howard Ng How Er's appointment was released via SGXNET on 29 November 2019. Mr Howard Ng How Er was subsequently appointed as the Deputy CEO of the Company on 23 December 2019. The announcement relating to Mr Howard Ng How Er's re-designation was released via SGXNET on 23 December 2019.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.3 of the Code states that Non-Executive Directors should make up a majority of the Board to avoid undue influence of the management over the Board and ensure appropriate checks and balances are in place. The current Board, of which four out of six of the Directors are Non-Executive Directors, is able to exercise its powers objectively and independently from the management. In addition, three out of the four Non-Executive Directors are also Independent Directors. The Independent Directors are Mr Yap Siean Sin, Dr Lam Lee G and Mr Cheung Wai Man, Raymond. The criterion of independence is based on the definition given in the Code and Rule 406(3)(d) of the Catalist Rules. The Board considers an "independent" director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. Under Rule 406(3)(d) of the Catalist Rules, a director will not be considered independent (i) if he is employed by the Company or any of its related corporations for the current or any of the past three financial years or (ii) if he has an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the remuneration committee of the Company.

With three Independent Directors, the Board is able to exercise independent judgment on corporate affairs and provide management with a diverse and objective perspective on issues. Board members also have separate and independent access to the Company's senior management on an ongoing basis. The Independent Directors have confirmed that they are independent in conduct, character and judgement, and do not have any relationship with the Company or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment in the best interests of the Company. The Independent Directors have further confirmed their independence according to the conditions set out in Rule 406(3)(d) of the Catalist Rules. There are no Directors who have served on the Board beyond nine (9) years from the date of their first appointment.

The Company is in the process of searching for a suitable candidate to be appointed as an additional Independent Director of the Company to comply with Provision 2.2 of the Code which requires Independent Directors to make up a majority of the Board where the Chairman is not independent. The Company will release the relevant announcement(s) via SGXNet as and when there are any updates relating to this.

The composition of the Board and Board Committees have been reviewed by the NC to ensure that the Board has the appropriate balance and mix of skills, knowledge, experience and diversity, and collectively possess the necessary core competencies for effective functioning and informed decision-making. The NC is of the view that the current Board comprises persons who as a group provides capabilities required for the Board to be effective.

As of the date of this report, there are no Independent Directors of the Company who sit on the board of the Company's principal subsidiaries. Having regard to factors such as the expertise, skills, knowledge, experience and perspectives which the Board needs to meet the challenges in the business of the Group, the Board will constantly examine its size and its committees' size and, with a view to determine such impact upon its effectiveness and, decide on what it considers an appropriate size for the Board which facilitates effective decision making. The Board considers the present Board and Board Committees' size appropriate for the current nature and scope of the Group's operations.

For FY2019, the Independent Directors had met at least once in the absence of key management personnel. The Independent Directors provide feedback from such meetings to the Board as appropriate.

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board currently comprises Directors who as a group provide core competencies such as accounting or finance, business management, legal or corporate governance, relevant industry knowledge or experience, strategic planning experience, customer-based experience or knowledge as well as information technology. To maintain or enhance the Board's balance and diversity, the Board, with the assistance of the NC, is looking into conducting an annual assessment of the existing attributes and core competencies of the Board to ensure that they are complementary and enhance the efficacy of the Board. The table below shows the core competencies possessed by the Board.

	Number of Directors	**Proportion of Board**
Core Competencies		
- Accounting or finance	6	100%
- Business management	6	100%
- Legal or corporate governance	4	67%
- Relevant industry knowledge or experience	4	67%
- Strategic planning experience	6	100%
- Customer based experience or knowledge	4	67%
- Information technology	3	50%

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and management, and no one individual has unfettered powers of decision-making.

Dato' Ng Tian Sang @ Ng Kek Chuan is the Non-Executive Chairman of the Company. As Non-Executive Chairman, Dato' Ng Tian Sang @ Ng Kek Chuan's overall role is to lead and ensure the effectiveness of the Board. This includes, *inter alia*:

- promoting a culture of openness and debate at the Board;
- facilitating the effective contribution of the Directors to the Board and Group affairs;
- promoting high standards of corporate governance; and
- setting the Board agenda with Management and conducting effective Board meetings.

The Non-Executive Chairman is also the face of the Board and plays an important role in ensuring effective communication with shareholders and other stakeholders.

The Group's CEO, Mr Ang Kok Huan, assisted by the Deputy CEO, Mr Howard Ng How Er, plays an instrumental role in developing the business of the Group and provides the Group with leadership and vision. He also takes a leading role in managing the day-to-day operations with the assistance of key management personnel.

As at the date of this Annual Report, as the Chairman and the CEO are different persons, the Company has complied with Provision 3.1 of the Code which recommends that the Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

While the Chairman of the Company, Dato' Ng Tian Sang @ Ng Kek Chuan, is the father of the Executive Director and Deputy CEO of the Company, Mr Howard Ng How Er, the Board is of the view that it maintains a strong independent element of the Board as half of the Board comprises Independent Directors. The Company is also in the process of searching for a suitable candidate to be appointed as an additional Independent Director of the Company, such that the Independent Directors would make up majority of the Board. In addition, all decisions of the Board are decided collectively without any individual or small group of individuals influencing or dominating the decision-making process. The Board is satisfied that there is no concentration of power in any one individual given that the CEO, Mr Ang Kok Huan, whom the Deputy CEO assists in the overall management of the Company, is not related to the Non-Executive Chairman.

The Board is of the view that, taking into consideration the size of the Board, the past performance of the Directors, and the nature of the business of the Company, there are sufficient safeguards and checks in place against an imbalanced concentration of power and authority in any one person and there is presently no requirement for a Lead Independent Director as:

- There exists a clear division of responsibilities between the Board and the key employees responsible for managing the day-to-day affairs of the Company;
- There is a strong and independent element on the Board as half of the Board comprises Independent Directors;
- All major decisions are made in consultation with the Board;
- The process of decision-making by the Board is independent and all decisions of the Board are decided collectively without any individual or small group of individuals influencing or dominating the decision-making process; and
- Grievances of a shareholder may be directed to the Chairman of the AC.

Although the Board currently does not have a Lead Independent Director, the Independent Directors make up half of the Board and the Company is in the process of searching for a suitable candidate to be appointed as Independent Director of the Company, such that the Independent Directors would make up majority of the Board. As such, the Board is satisfied that there is a strong independent element to contribute to effective decision-making. The Independent Directors are and continue to be available to shareholders as a channel of communication between shareholders and the Board and/or Management. The Board will appoint a Lead Independent Director as and when deemed appropriate.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Board has established the NC, chaired by Mr Yap Siean Sin. The NC currently comprises two Independent Directors and one Executive Director and CEO. The Chairman of the NC is independent and is not associated in any way with any substantial shareholder of the Company.

Some of the functions of the NC are, *inter alia*, to:
- determine the criteria for the appointment of new Directors, set up a process for the selection of such appointment;
- review nominations for the appointment and re-appointment of Directors (including alternate Directors, if any) to the Board;
- decide on how the Board's, Board Committee's and Directors' performance may be evaluated and propose objective performance criteria for the Board's approval;
- review succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO or the Deputy CEO and key management personnel; and
- review training and professional development programmes for the Board and its Directors.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate balance and mix of expertise and experience to enable management to benefit from a diverse perspective of issues that are brought before the Board. The NC is of the view that the Board comprises Directors capable of exercising objective judgment on the corporate affairs of the Company independently of management and that no individual or small group of individuals dominate the Board's decision-making process.

When a vacancy arises under any circumstance, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, will determine the selection criteria and select candidates with the appropriate expertise and experience for the position. The Company may appoint professional search firms and recruitment consultants to assist in the selection and evaluation process if the appointment requires a specific skill set or industry specialisation. The NC will then meet with the short-listed candidate, nominate and recommend the most suitable candidate to the Board for approval. The newly appointed Directors by the Board will be subject to re-election by Shareholders at the next annual general meeting and thereafter, they are subject to the one-third rotation rule pursuant to the Company's Constitution. The NC also ensures that new directors are aware of their duties and obligations.

In determining the independence of Directors annually, the NC has reviewed and is of the view that Mr Yap Siean Sin, Dr Lam Lee G and Mr Cheung Wai Man, Raymond are independent. The Independent Directors have also confirmed their independence in accordance with the Code and Rule 406(3)(d) of the Catalist Rules during the NC meeting held on 25 February 2020 subsequent to FY2019 and all the Independent Directors have provided their independent declarations. In addition, the Independent Directors do not have any relationship as stated in the Code and Rule 406(3)(d) of the Catalist Rules that would otherwise deem any of them not to be independent.

The NC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards and have other principal commitments. However, the Board, with the concurrence of the NC, has agreed that the Company shall not impose a maximum number of listed board representations on the Directors as the Board is of the opinion that setting a fixed number would not adequately take into account the varied circumstances of each Director. The NC will instead focus on whether a Director has sufficient time to adequately discharge his duties to the Company. The NC would monitor and determine annually, on a case-by-case basis, whether the Directors have given sufficient time and attention to the affairs of the Company and adequately carry out his duties as a Director of the Company.

The NC has reviewed and is satisfied that in FY2019, the Directors, some of who have multiple board representations, have been able to devote adequate time and attention to the affairs of the Company to fulfil their duties as Directors of the Company. In particular, although Dr Lam Lee G has multiple board representations outside of the Group, the NC, having taken into consideration Dr Lam Lee G's attendance at all Board and AC meetings since his appointment on 14 May 2018, his prompt response to management decisions, updates and queries and his active contribution and participation to discussion at Board and committee meetings, is satisfied that in FY2019, Dr Lam Lee G has been able to devote adequate time and attention to the affairs of the Company to fulfil his duties as Director of the Company.

Corporate Governance Report

The year of initial appointment and last re-election date of each current Director and his current and past directorship(s) in other listed companies are listed below:

Director	Date of initial appointment	Date of last re-election	Current directorships in listed companies	Past directorships in listed companies (preceding three years)	Other principal commitments
Mr Yap Siean Sin	27 June 2017	30 April 2019	Nil	- China Real Estate Group Ltd	- Spring Rise Pte Ltd - Cavacole (S) Pte Ltd - Snap Innovations Sdn. Bhd. - Pacific Coast Pte. Ltd. - Spring Malaysia (MM2H) Sdn. Bhd. - Timur Baiduri Sdn. Bhd. - Arealink Corporation Sdn. Bhd. - Seni Rancang (M) Sdn. Bhd. - Moi Siean Holdings Sdn. Bhd. - Jururancang YSS (Sole Proprietorship) - Arkitek Seni Perundung. (Sole Proprietorship)
Dr Lam Lee G	14 May 2018	30 April 2019	- Adamas Finance Asia Limited - Aurum Pacific (China) Group Limited - AustChina Holdings Limited - China LNG Group Limited - China Real Estate Group Ltd - China Shandong Hi-Speed Financial Group Limited - CSI Properties Limited - Elife Holdings Limited - Greenland Hong Kong Holdings Limited - Haitong Securities Company Limited	- Glorious Sun Enterprises Limited - Green Leader Holdings Group Limited - Hsin Chong Group Holdings Limited - Roma Group Ltd - Rowsley Ltd - Vietnam Equity Holding (VEH) - Xi-an Haitiantian Holdings Company Limited	- Hong Kong Cyberport Management Company* - Pacific Basin Economic Council* - United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Sustainable Business Network (ESBN)* * voluntary/pro-bono/community service roles

Director	Date of initial appointment	Date of last re-election	Current directorships in listed companies	Past directorships in listed companies (preceding three years)	Other principal commitments
			- Hang Pin Living Technology Company Limited - Huarong Investment Stock Corporation Limited - Kidsland International Holdings Limited - Mei Ah Entertainment Group Limited - Mingfa Group (International) Company Limited - National Arts Entertainment and Culture Group Limited - Singapore eDevelopment Ltd - Sunwah International Limited - Sunwah Kingsway Capital Holdings Limited - Thomson Medical Group Limited - Tianda Pharmaceuticas Limited - TMC Life Sciences Berhad - Top Global Limited - Vongroup Limited		
Mr Ang Kok Huan	31 December 2018	30 April 2019	Nil	Nil	Nil
Mr Cheung Wai Man, Raymond	28 February 2019	30 April 2019	Nil	Nil	- BRCA Pte Ltd - WTSG Pte. Ltd. - AllCars Pte. Ltd. - CarFrenHQ Pte. Ltd.
Dato' Ng Tian Sang @ Ng Kek Chuan	29 November 2019	Not Applicable	Nil	Nil	- Beverly Bangsar Sdn Bhd
Mr Howard Ng How Er	29 November 2019	Not Applicable	Nil	Nil	- Beverly Bangsar Sdn Bhd

The profiles of the Directors can be found on pages 6 and 8 of this report.

Pursuant to Regulation 90 of the Company's Constitution, at least one-third of the Directors shall retire from office by rotation and be subject to re-election at the Company's annual general meeting, except that the Managing Director will not be subject to retirement by rotation or be taken into account in determining the number of Directors to retire. All Directors are required to submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years. In addition, a new Director appointed by the Board during the year shall hold office only until the next annual general meeting and shall then be eligible for re-election at the Company's annual general meeting, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. The shareholders approve the appointment or re-appointment of Board members at the annual general meeting.

The NC will assess and evaluate whether Directors retiring at each annual general meeting are properly qualified for re-appointment by virtue of their skills, experience and contributions. In accordance with the Company's Constitution, the NC recommended to the Board that Mr Yap Siean Sin and Dr Lam Lee G be nominated for re-election at the Company's forthcoming Annual General Meeting ("**AGM**"). In making the recommendation, the NC had considered Mr Yap Siean Sin's and Dr Lam Lee G's overall contribution and performance. Mr Yap Siean Sin and Dr Lam Lee G have each abstained from making any deliberations on their own re-election.

In addition, Regulation 96 of the Company's constitution provides that new directors of the Company shall hold office until the next AGM and shall then be eligible for re-election. As such, the newly appointed Non-Executive Chairman, Dato' Ng Tian Sang @ Ng Kek Chuan, and Executive Director and Deputy CEO, Mr Howard Ng How Er, will be retiring at the forthcoming AGM pursuant to Regulation 96 of the Company's Constitution and are to be nominated for re-election.

Dato' Ng Tian Sang @ Ng Kek Chuan will, upon re-election as a Director of the Company, remain as a Non-Executive Director and Non-Executive Chairman, and member of the RC and RMC.

Mr Howard Ng How Er will, upon re-election as a Director of the Company, remain as Executive Director and Deputy CEO.

Mr Yap Siean Sin will, upon re-election as a Director of the Company, remain as an Independent Director of the Company, the Chairman of the NC and RC, and member of the AC and RMC. Mr Yap Siean Sin will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

Dr Lam Lee G will, upon re-election as a Director of the Company, remain as an Independent Director of the Company, the Chairman of the AC, and member of the RC, NC and RMC. Dr Lam Lee G will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

As at the date of this report, save for Mr Ang Kok Huan, Dato' Ng Tian Sang @ Ng Kek Chuan and Mr Howard Ng How Er, none of the Directors are interested in the shares and/or share options in the Company (whether directly or indirectly). Save for Dato' Ng Tian Sang @ Ng Kek Chuan and Mr Howard Ng, none of the Directors holds shares in the subsidiaries of the Company. Further details on Dato' Ng Tian Sang @ Ng Kek Chuan and Mr Howard Ng's interest in subsidiaries of the Company may be found on page 34 of this report.

The Company does not have any alternate directors.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its committees and individual directors.

The effectiveness of the Board will ultimately affect the performance of the Group. The Board ensures compliance with the applicable laws and the Board members should act in good faith, with due diligence and care in the best interests of the Company and its shareholders.

The performance of the key executives will be reviewed annually by the NC and the Board.

The NC has established an appraisal process to assess the performance and effectiveness of the Board as a whole. For this purpose, the NC has developed a checklist to assist in its assessment of the effectiveness of the Board and of each board committee separately as well as the contribution by the Chairman and each individual director at least once every year. Feedback and comments received from the Directors are reviewed by the NC. In its assessment, the NC takes into consideration the frequency of the Board meetings, Board independence, the rate at which issues raised are adequately dealt with, the effectiveness of the Board Committees, and reports from the various committees.

The NC and the Board has assessed the performance of the current Board, Board Committees and Individual Directors to-date and is of the view that performance of the Board as a whole, the Board Committees and Individual Directors have been satisfactory. No external facilitator has been used for the assessment in FY2019.

Each Director abstains from voting on any resolution and making recommendations and/or participating in any deliberation in respect of the assessment of his performance or re-nomination as a Director.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Board has established the RC, chaired by Mr Yap Siean Sin. The RC comprises two Independent Directors and the Non-Executive Chairman.

It is within the terms of reference of the RC to review and recommend to the Board, a general framework of remuneration for the Board and key executives and to review and recommend the specific remuneration packages and terms of employment for each Director and the key executives. Each member of the RC abstains from voting on any resolutions and making any recommendations in respect of his remuneration package.

The RC recommends and reviews remuneration packages of the key executives on a regular basis, with the aim of building a capable and committed management team. The Directors are not involved in deciding their own remuneration.

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

If necessary, the RC may seek expert advice outside the Company on remuneration of the Directors and key executives. The RC ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The Company has not appointed any remuneration consultants for FY2019.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry, as well as the Group's performance.

The remuneration for the key executives comprise a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and individual performance. The variable annual bonus is structured so as to link rewards to corporate and individual performance and is aligned with the interests of Shareholders and other stakeholders and promotes the long-term success of the Company.

The Independent Directors and Non-Executive Directors (if any) receive directors' fees, in accordance with their contributions, taking into account factors such as effort, time spent, responsibilities of the Directors and the need to pay competitive fees to attract, motivate and retain the Directors. Directors' fees are recommended by the Board for approval at the Company's annual general meeting.

The annual review of the remuneration of the key executives are carried out by the RC to ensure that their remuneration are commensurate with their performance, giving due regard to the profitability of the Group, its financial performance as well as general economic conditions under which the Group operates.

In reviewing and determining the remuneration packages of the Directors and key executives, the RC considers, amongst other things, their responsibilities, skills, expertise and contribution to the Company's performance and whether such remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent. The RC also ensures that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the Company for the long term.

The RC (comprising Mr Yap Siean Sin (Chairman), Dr Lam Lee G and Dato' Ng Tian Sang @ Ng Kek Chuan) also administers the JCG Share Performance Plan (the "**JCG SPP**") which was adopted at an extraordinary general meeting on 30 April 2019. The criteria to determine the grant of JCG SPP include the employee's rank and responsibilities within the Group, his/her performance, years of service, potential for future development of the employee and the performance of the Group. As at the date of this Annual Report, the Company has granted an aggregate of 284,444,445 shares under the share awards ("**Share Awards**") pursuant to the JCG SPP, of which 138,888,889 shares under the Share Awards were granted to Mr Ang Kok Huan, a Director of the Company. Pursuant to the vesting of the Share Awards on 27 September 2019, the Company allotted and issued 284,444,445 new shares on 27 September 2019. Further details about the JCG SPP may be found on pages 39 and 40 of this report.

The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Directors and Executive Officers in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on actual performance as opposed to a forecast of the Group and/or the Company as well as the actual results of its Executive Directors and Executive Officers, "claw back" provisions may not be relevant or appropriate.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that disclosing the exact amount of remuneration would be prejudicial to its business interest given the highly competitive environment. The breakdown of remuneration (in percentage terms) of the Directors and CEO of the Company paid for FY2019 is set out below:

Name of Director/CEO	Base Salary	Allowance	Directors Fees	Other Benefits[1]	Total
Between S$250,000 and S$500,000					
Mr Ang Kok Huan[2]	43%	-	-	57%	100%

Name of Director/CEO	Base Salary	Allowance	Directors Fees	Other Benefits(1)	Total
Below S$250,000					
Mr Hano Maeloa(3)	-	-	100%	-	100%
Ms Chang Shyre Gwo(4)	-	-	100%	-	100%
Mr Yap Siean Sin	-	-	100%	-	100%
Dr Lam Lee G	-	-	100%	-	100%
Mr Cheung Wai Man, Raymond(5)	-	-	100%	-	100%
Dato' Ng Tian Sang @ Ng Kek Chuan(6)	45%	-	49%	6%	100%
Mr Howard Ng How Er(7)	81%	8%	-	11%	100%

Notes:

(1) Other benefits include employer's contribution to Central Provident Fund/Employees' Provident Fund, bonus, out-of-pocket allowances and shares granted under the JCG SPP.
(2) Mr Ang Kok Huan was appointed as CEO and Executive Director of the Company on 31 December 2018. Mr Ang Kok Huan was subsequently re-designated to CEO and Interim Executive Chairman of the Company on 28 February 2019. Mr Ang Kok Huan was re-designated to CEO and Executive Director of the Company on 29 November 2019.
(3) Mr Hano Maeloa resigned as a Director of the Company with effect from 28 February 2019.
(4) Ms Chang Shyre Gwo resigned as a Director of the Company with effect from 28 February 2019.
(5) Mr Cheung Wai Man, Raymond was appointed as an Independent Director of the Company on 28 February 2019.
(6) Dato' Ng Tian Sang @ Ng Kek Chuan was appointed as a Non-Executive Director and Non-Executive Chairman of the Company on 29 November 2019.
(7) Mr Howard Ng How Er was appointed as an Executive Director of the Company on 29 November 2019. Mr Howard Ng How Er was subsequently appointed as the Deputy CEO of the Company on 23 December 2019.

The Directors' fees for FY2020, as a lump sum, will be subject to the approval by shareholders at the forthcoming AGM.

The remuneration paid to the key executive (who are not Directors or the CEO) for services rendered to the Group on an individual basis is between S$250,000 and S$500,000 during FY2019 and is set out below:

Name of Key Executive	Base Salary	Allowance	Fees	Other Benefits(1)	Total
Between S$250,000 and S$500,000					
Ms Violet Seah Sin Yuen(2)	49%	-	-	51%	100%

Notes:

(1) Other benefits include employer's contribution to Central Provident Fund, bonus, out-of-pocket allowances and shares granted under the JCG SPP.
(2) Ms Violet Seah Sin Yuen was appointed as the Company's Chief Financial Officer with effect from 31 December 2018.

The Company only had one key executive personnel (excluding the Directors) in FY2019. The total aggregate remuneration of the key executives is not disclosed in this annual report as the Board is of the opinion that such disclosure would be prejudicial to the Company's' business interests, given the highly competitive conditions in the industry and the fact that the management team consists of only one key executive personnel (excluding the Directors).

Save for the Deputy CEO, whose remuneration has been disclosed above, there are no employees of the Company who are substantial shareholders of Company or are immediate family members of a Director, CEO or a substantial shareholder of the Company and whose remuneration exceeds S$100,000 for FY2019.

There are no termination or retirement benefits, as well as post-employment benefits that are granted to the Directors, CEO and key executives.

(C) ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

In presenting interim and full year financial result announcements and the annual financial statements to shareholders promptly, it is the aim of the Board to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects.

Management is to provide the Board with unrestricted access to relevant information on a timely basis in order that it may effectively discharge its duties. The Board members are to be provided with up-to-date financial reports and other information on the Group's performance for effective monitoring and decision making. Such updates and provision of information is done via emails, informal meetings and/or telephonic discussions as and when required.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders.

The Board reviews annually the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls.

The AC, on behalf of the Board, reviews the Group's system of internal controls, including financial, operational, compliance and information technology, and risk management policies and systems established by management. This ensures that such system is sound and adequate to provide reasonable assurance of the adequacy and effectiveness of the internal controls, addressing financial, operational, compliance and information technology risks and risk management systems. In addition, the Group has, based on the internal audit performed for FY2019, made improvements to the internal controls and systems to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably protected, proper accounting records are maintained and financial information used within the business and for publication, are reasonable and accurate. The Board acknowledges that it is responsible for the overall internal control framework, but recognises that all internal control systems contain inherent limitations and that no cost-effective internal control system will preclude all errors and irregularities as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against loss or misstatement. The Company had in place an Enterprise Risk Management framework during FY2019.

On 10 January 2020, the RMC was established to assist the Board in determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

The effectiveness of the internal control systems and procedures are monitored by Management and also by the internal audit function. In FY2019, the Company has engaged Messrs BDO LLP to perform internal audit work for FY2019 under an internal audit plan. Based on the internal audit performed for FY2019, the Internal Auditors had identified and provided recommendations in relation to six medium risk observations and four low risk observations. The CFO has assured the Board that the Company has taken steps to implement the recommendations of the Internal Auditors and that all recommendations in relation to the FY2019 internal audit have been fully implemented by the Company as at the date of this Report. During FY2019, the CFO prepared the applicable risk pillars in view of the Group's operations and had in place an Enterprise Risk Management framework, which was reviewed by the previous Interim Executive Chairman and the AC. The AC is satisfied that the internal audit function is independent, effective, adequately resourced and has appropriate standing in the Group.

At present, the Board relies on the assurances provided by Management, the external audit reports and management letter prepared by the external auditors on any material non-compliance or internal control weaknesses. Save for the issues raised in the Independent Review report in relation to matters which had occurred before the current Management had been in place, based on the internal controls and risk management systems established and maintained by the Group, reviews conducted by the External and Internal Auditors and assurance from Management, and the Company having implemented the recommendations of the Internal Auditors for FY2019, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and risk management systems were adequate and effective for FY2019.

The Board has also received assurance from the CEO, Mr Ang Kok Huan and CFO, Ms Violet Seah Sin Yuen, having implemented the recommendations of the Internal Auditors for FY2019:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
(b) regarding the adequacy and effectiveness of the Company's risk management and internal controls system.

The system of internal controls provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal control and/or risk management could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The Board has established the AC, chaired by Dr Lam Lee G. The members comprise the three Independent Directors of the Company, who collectively bring with them invaluable managerial and professional expertise in the financial and business management spheres. None of the AC members were previous partners or directors of the Company's external audit firm within the last two years and none of the AC members hold any financial interest in the external audit firm.

The AC has met with the Group's external auditors and its management to review accounting, auditing and financial reporting matters for FY2019.

Specifically, the AC has the following functions:

- reviewing the audit plans and scope of audit of the external auditors, including appraising the quality of their work and the assistance provided to them by the Management;
- recommending to the Board (i) the proposals to the shareholders' on the appointment, re-appointment and removal of external auditors and (ii) the remuneration and terms of engagement of the external auditors, after evaluating the external auditors' cost effectiveness, independence and objectivity and the nature and extent of non-audit services provided by them;
- reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- reviewing and reporting to Board at least annually the adequacy of the internal control systems and risk management system of the Group, including financial, operational, compliance and information technology controls, by reviewing written reports from the internal auditors, and Management's responses and actions to correct any deficiencies;
- reviewing the annual financial statements and financial result announcements to shareholders before submission to the Board for adoption;
- reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- reviewing interested person transactions to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its shareholders;

- reviewing the assurance from the CEO and the CFO on the financial records and financial statements; and
- reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The AC has authority to investigate any matter within its terms of reference, and has full access to, and the co-operation of, the Management and resources which are necessary to enable it to discharge its functions properly. It also has full discretion to invite any executive Director or executive officer to attend its meetings.

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast of the changes to accounting standards and issues which have a direct impact on financial statements via briefing by its external auditors during the AC meetings.

In FY2019 and at its most recent meeting in February 2020, the AC had met the external auditors separately, without the presence of the Management, to discuss the reasonableness of the financial reporting process, as well as to review the adequacy of audit arrangements with particular emphasis on the observations and recommendations of the external auditors, the scope and quality of their audits and the independence and objectivity of the external auditors.

The AC has reasonable resources to enable it to discharge its functions properly. The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities and at least two members of the AC, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The Group's existing auditors, Nexia TS Public Accounting Corporation, have been the auditors of the Group since 6 November 2015. Ms Loh Hui Nee is the engagement director since financial year ended 31 December 2015.

Having regard to the adequacy of the resources and experience of the auditing firm and the engagement director assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit, the Board and the AC are of the opinion that a suitable auditing firm has been appointed to meet the Company's auditing obligations.

Save for the Company's subsidiaries in Hong Kong SAR and Republic of Taiwan which are not required to be audited under the laws of the countries of incorporation, the Company has appointed suitable audit firms for its subsidiaries in Singapore and Malaysia. In this regard, the Board, with the concurrence of the AC, is of the view that the Company complies with Rule 712 and Rule 715 of the Catalist Rules.

The AC is pleased to recommend to the Board that Nexia TS Public Accounting Corporation be nominated for re-appointment as external auditors of the Company at the forthcoming AGM. The amount of audit fees paid to Nexia TS Public Accounting Corporation in FY2019 was S$207,000. The amount of non-audit fees paid to Nexia TS Public Accounting Corporation in FY2019 was S$20,000. Having reviewed, amongst others, the scope and quality of their audits and their independence, the AC is satisfied that the independence and objectivity of the external auditors is not affected.

INTERNAL AUDIT

The Group has appointed Messrs BDO LLP as its outsourced internal auditor. BDO LLP assists the Group in reviewing the adequacy and effectiveness of the Group's internal controls based on an annual internal audit plan that covers applicable financial, operational, compliance and information technology controls. As part of the internal audits, they also provide recommendations to the AC and the Board to address any weaknesses in its internal controls.

BDO LLP performs annual internal audit planning in consultation with, but independent of the Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. In addition, the internal auditor may be involved in ad hoc projects initiated by the Management which require the assurance of the internal auditor in specific areas of concerns. In FY2019, the Company has engaged Messrs BDO LLP to perform internal audit work under an internal audit plan. BDO LLP is provided with unfettered access to all the Group's documents, properties, information, records and personnel, including the AC. BDO LLP is a suitably appointed qualified firm of accountants who performs their reviews in accordance with the BDO Global IA methodology which is consistent with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. As the Group's outsourced internal auditors, BDO LLP is required to provide staff of adequate expertise and experience to conduct the internal audits. In FY2019, the AC met with BDO LLP without the presence of the Management and the AC is satisfied that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group.

BDO LLP reports to the AC on audit matters and reports administratively to the Chief Financial Officer ("**CFO**"). The AC also reviews and approves the annual internal audit plans and resources to ensure that BDO LLP has the necessary resources to adequately perform its functions. The AC would also decide on the appointment, termination and remuneration of the internal audit function.

On 30 November 2018, the Company announced that, in light of the proposed re-direction back into the medical aesthetics and healthcare business in the PRC, and amidst certain new information brought to the attention of the Board, the Board has voluntarily decided to subject the internal controls processes and policies of the Company to the Independent Review. For this purpose, the Company has engaged BDO LLP to, *inter alia*, look into the advances for the medical aesthetics business amounting to S$6,078,000 that were impaired and other key matters relating to the acquisition and subsequent impairment of investment in China iMyth Company Pte. Ltd. In March 2020, the Independent Review report was issued and the Executive Summary of the same was announced via SGXNET on 30 March 2020. The Company is in the process of formulating its response and proposal to address the issues raised and to 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 via SGXNET.

(D) SHAREHOLDERS' RIGHTS AND ENGAGEMENT

SHAREHOLDERS' RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably, in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company takes a serious view of ensuring full and adequate disclosure, in a timely manner, of material events and matters concerning its businesses through SGXNET, public announcements, press releases, circulars to shareholders and annual reports.

The Company also ensures that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders are informed of the rules, including voting procedures that govern general meetings of shareholders. Shareholders are entitled to attend the annual general meeting to ensure a greater level of shareholders' participation and for them to be kept up to date as to the Group's strategies and goals. The notice of the annual general meeting is despatched to shareholders, together with explanatory notes at least 14 days before the meeting.

In line with the Catalist Rules, resolutions tabled at general meetings of the Company will be passed through a process of voting by poll which procedures will be clearly explained by the scrutineers at the Company's general meetings.

Corporate Governance Report

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form on significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting. For resolutions on the election or re-election of Directors, the Company provides information on the background of the Directors, their contributions to or role in the Company, and the Board and Board Committee positions they are expected to hold upon election or re-election.

All Directors are in attendance at the Company's annual general meeting to address shareholders' questions relating to the work of the Board committees. The Company's external auditors, Nexia TS Public Accounting Corporation, will also be present at the annual general meeting and are available to assist the Directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of their auditors' report. While all Directors are to attend the Company's general meetings, Mr Yap Siean Sin and Dr Lam Lee G were unable to attend the extraordinary general meeting held on 26 August 2019 due to their prior commitments which had been scheduled prior to the fixing of the extraordinary general meeting date.

The attendance of the Directors of the Company at the Company's general meetings held during FY2019 are reflected in the table below:

Name of Director	General Meetings
Number of meetings held:	3
Number of meetings attended:	
Hano Maeloa(1)	0
Chang Shyre Gwo(2)	0
Yap Siean Sin	2
Lam Lee G	2
Ang Kok Huan	3
Cheung Wai Man, Raymond	3
Dato' Ng Tian Sang @ Ng Kek Chuan(3)	-
Howard Ng How Er(4)	-

Notes:

(1) Mr Hano Maeloa resigned as a Director of the Company with effect from 28 February 2019.

(2) Ms Chang Shyre Gwo resigned as a Director of the Company with effect from 28 February 2019.

(3) Dato' Ng Tian Sang @ Ng Kek Chuan was appointed as a Non-Executive Director and Non-Executive Chairman of the Company on 29 November 2019.

(4) Mr Howard Ng How Er was appointed as an Executive Director of the Company on 29 November 2019. Mr Howard Ng How Er was subsequently appointed as the Deputy CEO of the Company on 23 December 2019.

The Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the general meetings of shareholders. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a Central Provident Fund agent bank may appoint more than two proxies to attend and vote at general meetings.

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. Such minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. The Board is not recommending any dividends for FY2019 due to the losses incurred and financial position of the Company.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company has adopted quarterly reporting of its financial results since 1 January 2015. It does not practise selective disclosure. In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Act, the Board's policy is that all shareholders should be informed regularly and on a timely basis of all major developments that impact the Group.

The Company will communicate pertinent information to its shareholders on a regular and timely basis through:

- the Company's annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments and other disclosures required by the Act and the Singapore Financial Reporting Standards;
- quarterly financial statements containing a summary of the financial information and affairs of the Group for the financial period. These are announced via the SGXNET;
- notices of annual general meeting and extraordinary general meeting;
- announcements via SGXNET on major developments of the Group; and
- the Group's website at www.jcg-investment.com from which shareholders can access information on the Group. The website provides, *inter alia*, the profiles of the Group and information on our Board and management.

The Board views the annual general meeting as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues and ask the Directors or the Management questions regarding the Company and its operations, as well as for the Company to understand the views from the shareholders.

The Company held an annual general meeting in April 2019 which is the principal forum of dialogue and interaction with its shareholders. An extraordinary general meeting was also held on the same day as the annual general meeting and on 26 August 2019 to seek shareholders' approval in relation to the JCG SPP and a proposed corporate action respectively. Before and after such general meetings, the Directors would also take the opportunity to interact with shareholders.

The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arises.

In addition, shareholders who wish to contact the Company may leave their contact details and their feedback or questions to the Company through an online submission form on the Company's corporate website, through which the Company may respond directly to shareholder on such feedback or questions.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

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

The information on the Company's arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2019 will also be set out in the Company's sustainability report which will be published on or before 31 May 2020.

The Company maintains a current corporate website (https://www.jcg-investment.com) to communicate and engage with stakeholders.

DEALING IN SECURITIES & WHISTLE-BLOWING

In line with Rule 1204(19) of the Catalist Rules and in implementing the directives issued by the AC in 2006, the Group has continued to adopt an internal code in relation to the dealing of shares of the Company, insider trading and whistle-blowing. The Company has issued memoranda relating to dealing in the securities of the Company to its Directors and employees, setting out the implications of insider trading and guidance on such dealings. Directors and key executives are expected to observe insider trading laws at all times. In FY2019, Directors were also issued notices relating to black-out periods within which the Company and Directors and employees of the Company should not deal in the securities of the Company during the period commencing two weeks before the announcement of the Company's interim financial results and one month before the announcement of the Company's full year financial results and ending on the date of the announcement of the results.

Directors and employees are also discouraged from dealing in the Company's shares on short-term considerations. The Company has also issued written policies and procedures regarding whistle-blowing to its Directors and employees, identifying and illustrating actions or observations which may constitute matters which should be raised, and the various avenues through which they may be raised. The Company has also set up a dedicated email address (report@jcg-investment.com) for reporting purposes to which access is restricted to the Chairman of the AC and his designate. In the pursuit of good corporate governance, the Company encourages its officers, employees, and/or any other parties with whom the Group has a relationship to provide information that evidences unlawful, unethical and fraudulent practices.

INTERESTED PERSONS TRANSACTIONS

As a listed company on the Catalist of the SGX-ST, the Company is required to comply with Chapter 9 of the Catalist Rules on interested person transactions. All interested person transactions are subject to review by the AC to ensure they were carried out on normal commercial terms. In addition, to ensure compliance with Chapter 9 of the Catalist Rules, the AC and the Board have met and will meet regularly at each scheduled quarterly AC and Board meeting to review if the Company will be entering into an interested person transaction and if so, to ensure that the relevant rules under Chapter 9 of the Catalist Rules are complied with. In the event that a member of the AC is involved in any interested person transaction, he will abstain from reviewing that particular transaction.

The Group does not have a general mandate for interested person transactions for the current financial year pursuant to Catalist Rule 920. There were no interested person transactions of S$100,000 or more in value per transaction entered into during FY2019.

MATERIAL CONTRACTS

Save as disclosed in the Report of the Directors and Financial Statements, as announced via SGXNET from time to time in compliance with the Catalist Rules and below, there were no material contracts, not being contracts entered into in the ordinary course of business of the Company or its subsidiaries, involving the interests of the CEO or any Director or controlling shareholders subsisted at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

The Company's wholly-owned subsidiary JCG-Beverly Pte. Ltd. ("**JCGB**") had entered into a trust deed dated 20 September 2019 with Dato' Ng Tian Sang @ Ng Kek Chuan, Mr Alexander Ng Zhonglie and Mr Howard Ng How Er (collectively, the "**BMC Trustees**") in respect of 100 ordinary shares in the issued and paid-up share capital of Beverly Medical Centre Sdn. Bhd. ("**BMC Trust Deed**"). Pursuant to the BMC Trust Deed, the BMC Trustees declared a trust over the 100 ordinary shares, being the entire issued and paid-up share capital of Beverly Medical Centre, in favour of JCGB.

The Company's wholly-owned subsidiary JCGB had entered into a trust deed dated 24 January 2020 with Mr Howard Ng How Er in respect or ordinary shares held by Mr Howard Ng How Er in the issued and paid-up share capital of Natasha Beverly Sdn. Bhd. (the "**NB Trust Deed**"). Pursuant to the NB Trust Deed, all the shares held by Mr Ng How Er declared a trust over all the shares held by him in the issued and paid-up share capital of Natasha Beverly Sdn. Bhd. in favour of JCGB.

USE OF PROCEEDS

As announced previously on 15 May 2019 in the first quarter unaudited financial statements and dividend announcement for the financial period ended 31 March 2019, the net proceeds raised from the 2017 Rights cum Warrants has been fully utilised in accordance with its stated use, save for S$160,000 which had been re-allocated from repayment of loans to working capital after all outstanding loans had been repaid.

As announced previously on 14 August 2019 in the second quarter unaudited financial statements and dividend announcement for the financial period ended 30 June 2019 and on 5 November 2019 in the third quarter unaudited financial statements and dividend announcement for the financial period ended 30 September 2019 ("**3Q2019 Results**"), the proceeds from conversion of warrants arising from the 2017 Rights cum Warrants amounted to S$0.008 million and has been fully utilised for working capital purposes.

On 10 January 2019, the Company had completed several corporate actions including, *inter alia*, the allotment and issuance of 2,857,142,857 shares to Rest Investment Ltd at an issue price of S$0.0014 per share ("**Rest Share Subscription**"), together with up to 952,380,952 warrants ("**Rest Investment Warrants**") for an aggregate amount of S$4 million. As announced previously on 5 November 2019 in the 3Q2019 Results, all proceeds from the Rest Share Subscription have been fully utilised in accordance with its stated use. As at the Latest Practicable Date, the Rest Investment Warrants have not been exercised.

On 18 July 2019, the Company had completed the allotment and issuance to Dato' Ng Tian Sang @ Ng Kek Chuan ("**Dato' Ng**") of 250,000,000 shares at an issue price of S$0.002 per Share and 250,000,000 investment warrants (the "**Dato' Ng Investment Warrants**"), each convertible into one share at an exercise price of S$0.0018 per Dato' Ng Investment Warrant for an aggregate amount of S$500,000 pursuant to the subscription agreement dated 16 May 2019 (the "**Subscription Agreement**") between the Company and Dato' Ng. The Company announced on 21 May 2019 that 70% of the proceeds shall be used for funding growth, development and expansion of existing medical aesthetics and healthcare business and exploration of new business opportunities as and when they arise and 30% will be used for the working capital of the Company. As at the Latest Practicable Date, the Dato' Ng Investment Warrants have not been exercised. The Company also granted to Dato' Ng the right to require the Company to issue to Dato' Ng (the "**Call Option**"), and Dato' Ng granted to the Company the right to require Dato' Ng to subscribe for (the "**Put Option**"), all (and not only some) of the 250,000,000 Put and Call Option shares with 250,000,000 Put and Call Option Warrants, on the terms and subject to the conditions of the Subscription Agreement. As announced previously on 12 February 2020, the Call Option and the Put Option have expired on 6 February 2020 in accordance with the terms of the Subscription Agreement.

On 16 January 2020, the Company had completed the allotment and issuance an aggregate of 427,807,485 shares at an issue price of S$0.00187 per Share and an aggregate of 85,561,497 investment warrants (the "**Subscribers Investment Warrants**") to certain subscribers (the "**Subscribers**"), each convertible into one share at an exercise price of S$0.002 per Subscribers Investment Warrant for an aggregate amount of S$800,000 pursuant to the subscription agreements dated 28 November 2019, 4 December 2019, 10 December 2019 and 20 December 2019 between the Company and Subscribers. The Company announced on 29 November 2019, 9 December 2019, 10 December 2019 and 20 December 2019 that 70% of the proceeds shall be used for funding growth, development and expansion of existing medical aesthetics and healthcare business and exploration of new business opportunities as and when they arise and 30% will be used for the working capital of the Company. As at the Latest Practicable Date, the Subscribers Investment Warrants have not been exercised.

As at 3 April 2020, the net proceeds raised from the share subscriptions in July 2019 and January 2020 had been utilised as follows:

Use of proceeds	Amount allocated S$'000	Amount utilised S$'000	Amount Unutilised S$'000
Proceeds from share subscription in July 2019			
(i) Working Capital	150	150	-
(ii) Funding growth, development and expansion of existing medical aesthetics and healthcare business opportunities as and when they arise	350	350	-
Total	**500**	**500**	**-**

Use of proceeds	Amount allocated S$'000	Amount utilised S$'000	Amount Unutilised S$'000
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 opportunities as and when they arise	560	214	346
Total	**800**	**454**	**346**

The above use of proceeds is in accordance with the intended use as stated in the announcements dated 21 May 2019, 29 November 2019, 9 December 2019, 10 December 2019 and 20 December 2019.

NON-SPONSOR FEES

No non-sponsor fees were paid (i) to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for the period 1 January 2019 to 10 May 2019 and (ii) to Stamford Corporate Services Pte. Ltd. for the period 10 May 2019 to 31 December 2019.

SUSTAINABILITY REPORT

During FY2019, the Board has identified economic performance, materials, supplier environmental assessment, diversity and fair employment practice, training and education, code of conduct, enterprise risk management and risk management policy as the key material environmental, social and governance factors. The Company is working towards the issuance of its sustainability report by 31 May 2020, and such report will be made available to shareholders on the SGXNET.

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2019 and the balance sheet of the Company as at 31 December 2019.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 47 to 133 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, based on the assumptions and measures undertaken as described in Note 4 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Dato' Ng Tian Sang @ Ng Kek Chuan	(appointed on 29 November 2019)
Ang Kok Huan	
Howard Ng How Er	(appointed on 29 November 2019)
Yap Siean Sin	
Dr Lam Lee G	
Cheung Wai Man, Raymond	

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Warrants", "Share options" and "Share performance plan" in this statement.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2019	At 1.1.2019 or date of appointment, if later	At 31.12.2019	At 1.1.2019 or date of appointment, if later
Company				
(No. of ordinary shares)				
Dato' Ng Tian Sang @ Ng Kek Chuan	1,074,197,200	1,074,197,200	659,278,692	659,278,692
Ang Kok Huan(1)	138,888,889	-	-	-
Howard Ng How Er	222,309,564	222,309,564	-	-

(1) Ordinary shares granted under JCG Share Performance Plan.

Directors' interests in shares or debentures (cont'd)

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows: (cont'd)

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2019	At 1.1.2019 or date of appointment, if later	At 31.12.2019	At 1.1.2019 or date of appointment, if later
Subsidiary corporations				
(No. of ordinary shares)				
Beverly Wilshire Medical Centre Sdn Bhd				
Dato' Ng Tian Sang @ Ng Kek Chuan	3,737,405	3,737,405	3,942,888	3,942,888
Howard Ng How Er	1,314,296	1,314,296	-	-
Beverly Wilshire Medical Centre (JB) Sdn Bhd				
Dato' Ng Tian Sang @ Ng Kek Chuan	1,772,444	1,772,444	1,739,736	1,739,736
Howard Ng How Er	579,912	579,912	-	-
Beverly Wilshire Tropicana City Mall Sdn Bhd				
Dato' Ng Tian Sang @ Ng Kek Chuan	220,509	220,509	213,173	213,173
Howard Ng How Er	71,058	71,058	-	-
Beverly Wilshire Aesthetic Dental Centre Sdn Bhd				
Dato' Ng Tian Sang @ Ng Kek Chuan	656,346	656,346	262,538	262,538
Howard Ng How Er	131,269	131,269	-	-
Beverly Wilshire Hair Transplant Sdn Bhd				
Dato' Ng Tian Sang @ Ng Kek Chuan	2,440	2,440	1,960	1,960
Howard Ng How Er	980	980	-	-
Beverly Wilshire Medical Academy and Research Centre Sdn Bhd				
Dato' Ng Tian Sang @ Ng Kek Chuan	-	-	206,552	206,552
Howard Ng How Er	-	-	35,346	35,346
Beverly Wilshire Cosmetic Surgery Centre Sdn Bhd				
Dato' Ng Tian Sang @ Ng Kek Chuan	-	-	2,829	2,829
Howard Ng How Er	-	-	484	484

Directors' interests in shares or debentures (cont'd)

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows: (cont'd)

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2019	At 1.1.2019 or date of appointment, if later	At 31.12.2019	At 1.1.2019 or date of appointment, if later
Company				
(No. of warrants)				
Dato' Ng Tian Sang @ Ng Kek Chuan	305,708,041	305,708,041	46,537,317	46,537,317
Howard Ng How Er	15,692,439	15,692,439	-	-

(b) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Albedo Limited Employee Share Option Scheme (the "ESOS") and interests in ordinary shares of the Company pursuant to the Albedo Share Performance Plan (the "Albedo SPP") and JCG Share Performance Plan (the "JCG SPP") as set out below and under "Share options" and "Share Performance plan" in this statement.

Options to subscribe for ordinary shares pursuant to the ESOS are as follows:

	Number of options to subscribe for ordinary shares of the Company		
	At 31.12.2019	At 1.1.2019 or date of appointment, if later	Exercise price per share option
Company			
(No. of share options)			
Hano Maeloa[(1)]	-	75,714,000[(2)]	S$0.010[(2)]

(1) Hano Maeloa resigned as a Director of the Company on 28 February 2019. Pursuant to his cessation, Hano Maeloa also ceased to be the Non-Executive Chairman of the Company and a member of the Remuneration Committee and Nominating Committee. The announcement relating to Hano Maeloa's cessation as a Director of the Company was released via SGXNET on 28 February 2019.

(2) The number of share options held by Hano Maeloa and exercise price per share option were adjusted to 37,857,000 and S$0.020 respectively pursuant to the share consolidation on 10 January 2019. The share options lapsed upon his resignation on 28 February 2019.

Ordinary shares granted pursuant to the JCG SPP are as follows:

	Number of ordinary shares of the Company awarded	
	At 31.12.2019	At 01.01.2019 or date of appointment, if later
Company		
(No. of ordinary shares)		
Ang Kok Huan	138,888,889	-

(c) The directors' interests in the ordinary shares and convertible securities of the Company as at 21 January 2020 were the same as those as at 31 December 2019.

Share options

Albedo Limited Employee Share Option Scheme (the "ESOS")

The Albedo's Employee Share Options Scheme ("ESOS"), approved on 24 February 2006 and 5 May 2010, is administered by a committee ("Committee"). The ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the ESOS is adopted by Shareholders in the General Meeting. Subject to compliance with applicable laws and regulations in Singapore, the ESOS may be continued beyond the stipulated period with the approval of the Shareholders and relevant authorities. The members of the Committee are:

Yap Siean Sin (Chairman)
Dato' Ng Tian Sang @ Ng Kek Chuan
Dr Lam Lee G

The ESOS provides an opportunity for selected Directors and/or Employees (the "Participants") of the Group who have contributed significantly to the growth and performance of the Group (including non-executive Directors), who satisfy the eligibility criteria as set out in the rules of the ESOS, to participate in the equity of the Company and can be summarised as follows:

- Subject to the rules of the ESOS, the aggregate number of shares in respect of which options may be offered to selected Director and/or Participants for subscription in accordance with the ESOS shall be determined at the discretion of the Committee which shall take into account (where applicable) criteria such as the rank and responsibilities within the Group, performance, years of service and potential for future development and the performance of the Group (provided always that the total number of shares in respect of which options may be granted to any one Grantee shall not exceed 10% of the total number of shares available under the ESOS.

- The Committee shall monitor the grant of options carefully to ensure that the number of the shares which may be issued pursuant to the options will comply with the relevant Catalist Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

- The aggregate number of shares over which the Committee may grant options on any date, when added to the total number of shares issued and issuable in respect of all options granted under the ESOS, shall not exceed 10% of the total issued shares of the Company on the day preceding that offer date of the options.

- Under the ESOS, options granted to the Directors and Participants may, except in certain special circumstances, be exercised at any time after the first anniversary but not later than the tenth anniversary from the date of grant. The ordinary shares of the Company ("Shares") under options may be exercised in full or in respect of 1,000 Shares or a multiple thereof, on the payment of the exercise price. The exercise price is based on the average of last dealt prices of the Shares on the SGX-ST for the three market days immediately preceding the date of grant rounded to the nearest whole cent. The Committee may at its discretion fix the exercise price at a discount not exceeding 20% to the above price. No options have been granted at a discount.

Details of the options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2018 are as follows:

Date of grant	Balance as at 1.1.2018	Options granted/ adjustment	Options cancelled or lapsed	Balance as at 31.12.2018	Exercise price per share option	Exercisable period
20.6.2008	504,000	-	(504,000)	-	S$0.010	20.6.2009-19.6.2018
2.10.2014	157,230,000	-	(757,000)	156,473,000	S$0.010	2.10.2014-1.10.2024
	157,734,000	-	(1,261,000)	156,473,000		

Share options (cont'd)

Albedo Limited Employee Share Option Scheme (the "ESOS") (cont'd)

Details of the options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2019 are as follows:

Date of grant	Balance as at 1.1.2019	Options cancelled or lapsed from 1.1.2019 to 10.1.2019	Options granted/ adjustment	Options cancelled or lapsed from 11.1.2019 to 31.12.2019	Balance as at 31.12.2019	Exercise price per share option	Exercisable period
2.10.2014	156,473,000	(2,523,000)	(76,975,000)	(38,487,500)	38,487,500	S$0.020	2.10.2014-1.10.2024
	156,473,000	(2,523,000)	(76,975,000)	(38,487,500)	38,487,500		

On 10 January 2019, the Company made an announcement on the SGX-ST relating to the completion of the Propose Corporate Exercises previously announced on 26 August 2018, 17 December 2018 and 31 December 2018. The Company had completed the Proposed Share Consolidation exercise of every two (2) Share Options held by the Participants of the Company at the Book Closure Date on 10 January 2019, into one (1) Consolidated Share Option. Accordingly, the exercise prices of the share options are adjusted to S$0.020 from S$0.010. There are an aggregate of 76,975,000 share options after share consolidation.

Details of the options to subscribe for ordinary shares of the Company granted to directors of the Company pursuant to the ESOS were as follows:

	Number of unissued ordinary shares of the Company under option						
Name of director	Options granted during the financial year	Aggregate options granted since commencement of ESOS to 31.12.2019	Aggregate options exercised since commencement of ESOS to 31.12.2019	Aggregate share consolidation adjustment since commencement of ESOS to 31.12.2019	Aggregate options adjustment since commencement of ESOS to 31.12.2019	Aggregate options cancelled, lapsed or transferred since commencement of ESOS to 31.12.2019	Aggregate options outstanding as at 31.12.2019
Tai Kok Chuan[(1)(2)]	-	31,500,000	(1,500,000)	-	45,714,000	(75,714,000)	-
Hano Maeloa[(2)(3)]	-	75,714,000	-	(37,857,000)	-	(37,857,000)	-
Total	-	107,214,000	(1,500,000)	(37,857,000)	45,714,000	(113,571,000)	-

(1) Tai Kok Chuan ceased to be a director of the Company upon his demise on 6 March 2018. Accordingly, the share options held by Tai Kok Chuan has been transferred to his spouse, Yap Mee Lee, a director and employee of one of the Company's subsidiary corporations. She subsequently resigned as a director on 16 July 2018.

(2) The options granted to these directors are exercisable from 2.10.2014 to 1.10.2024 at the exercise price of S$0.010 following the adjustments arising from the 2017 Rights cum Warrants issue. Pursuant to completion of share consolidation on 10 January 2019, the exercise price per share option have been adjusted from S$0.010 to S$0.020.

(3) Hano Maeloa resigned as a Director of the Company on 28 February 2019. Pursuant to his cessation, Hano Maeloa also ceased to be the Non-Executive Chairman of the Company and a member of the Remuneration Committee and Nominating Committee. The announcement relating to Hano Maeloa's cessation as a Director of the Company was released via SGXNET on 28 February 2019.

Share options (cont'd)

Albedo Limited Employee Share Option Scheme (the "ESOS") (cont'd)

Since the commencement of the ESOS till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company or their associates (as defined in the Listing Manual of the SGX-ST);

- No participants other than the directors of the Company have received 5% or more of the total options available under the Scheme;

- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and

- No options have been granted at a discount.

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

Share performance plan

Albedo Share Performance Plan ("Albedo SPP")

The Albedo SPP is intended to incentivise selected Directors and/or Participants of the Group to excel in their performance and encourage greater dedication and loyalty to the Company. Through the Albedo SPP, the Company aims to recognise and reward past contributions and services and motivate the selected Directors and/or Participants to continue to strive for the Group's long-term prosperity and can be summarised as follows:

- The Albedo SPP uses methods fairly common among successful multinational companies to incentivise and motivate Participants to achieve pre-determined targets which create and enhance economic values for shareholders. Unlike the ESOS, the award of fully-paid shares, free of charge, to the Participants is intended to be a more attractive form of bonus by the Company to the Participants as it gives them a stake in the ownership of the Company whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with other multinational companies. The Albedo SPP is intended to complement the ESOS and serve as an additional and flexible incentive tool.

- The awards granted under the Albedo SPP will be determined at the discretion of the Remuneration Committee (comprising of Yap Siean Sin, Dato' Ng Tian Sang @ Ng Kek Chuan and Dr Lam Lee G) which shall take into account (where applicable) criteria such as the rank and responsibilities within the Group, performance, years of service and potential for future development of the selected Participant.

- The total number of shares which may be granted under the Albedo SPP when added to the number of shares issued and issuable under all awards granted thereunder and all the options under the ESOS shall not exceed 15% of the issued ordinary shares of the Company on the day preceding the relevant date of award.

- The total number of new shares over which the Albedo SPP Committee may grant awards on any date pursuant to the proposed Albedo SPP, when added to the number of new shares issued and issuable in respect of all awards granted under the Albedo SPP, available to (a) all controlling shareholders and their associates must not exceed 25% of the shares available under the Albedo SPP and (b) each controlling shareholder and his associates must not exceed 10% of the shares available under the Albedo SPP.

The Albedo SPP expired on 27 April 2019. There had been no grant of any awards under the Albedo SPP since its implementation by the Company till the expiry date.

Share performance plan (cont'd)

JCG Share Performance Plan ("JCG SPP")

The JCG Share Performance Plan approved on 26 September 2019 and administered by the Committee is intended to incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the JCG Share Performance Plan, the Company hopes to be able to recognise and reward contributions and services of Participants and motivate Participants to continue to strive for the Group's long-term prosperity. By giving Participants the opportunity to participate in the equity of the Company as opposed to providing solely cash bonus payments for their performance, the JCG Share Performance Plan aims to foster an ownership culture within the Group.

The JCG Share Performance Plan uses methods fairly common among successful multinational companies to incentivise and motivate Participants to achieve pre-determined targets which create and enhance economic value for Shareholders. Unlike the Albedo ESOS, the award of fully-paid Shares, free of charge, to the Participants is intended to be a more attractive form of bonus from the Company to the Participants. In addition, the Company believes that the JCG Share Performance Plan will be more effective than cash bonuses in motivating Participants as it gives them a stake in the ownership of the Company whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with other multinational companies.

The JCG Share Performance Plan is also intended to complement the Albedo ESOS and serve as an additional and flexible incentive tool. With the JCG Share Performance Plan, the Company would be able to tailor share-based incentives according to the objectives to be achieved by combining Awards under the JCG Share Performance Plan with the grant of Options under the Albedo ESOS.

The JCG Share Performance Plan is also intended to reward other Participants (such as the Non-Executive Directors) who have contributed to the success and development of the Group.

The Awards granted under this JCG Share Performance Plan will be determined at the discretion of the Committee which shall take into account (where applicable) criteria such as the rank and responsibilities within the Group, performance, years of service and potential for future development of the selected Participant. The JCG Share Performance Plan awards fully paid shares to the Participants.

The Award may be granted by the Committee at any time during the period when the JCG Share Performance Plan is in force. As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award, among others, the Award Date, the Performance Period, the number of Shares which are the subject of the Award, the Performance Condition and the Release Schedule.

Any Award made but prior to the vesting shall lapse when, inter alia, the Participant ceases to be in the employment of the Company, ceases to be an Executive Director or a Non-Executive Director of the Company or a Controlling Shareholder or its Associate, or is guilty of misconduct. Other circumstances whereby Awards made would lapse include the bankruptcy of the Participant, the passing of a resolution for the winding up of the Company on the basis, or by reason, of the Company's insolvency.

The total number of Shares which may be granted under the JCG Share Performance Plan when added to the number of Shares issued and issuable under:

a) all Awards granted thereunder;

b) all the Options under the Albedo ESOS; and

c) any other share scheme which the Company may implement from time to time,

shall not exceed 15% of the issued ordinary shares of the Company (excluding treasury shares) on the day preceding the relevant date of award. In the event the Company establishes any other share plans, the aggregate of shares under all such share plans and all Options granted under the Albedo ESOS will not exceed 15% of the issued ordinary shares of the Company excluding treasury shares from time to time.

Share performance plan (cont'd)

JCG Share Performance Plan ("JCG SPP") (cont'd)

In addition, the total amount of new Shares over which the Committee may grant awards on any date pursuant to the proposed JCG Share Performance Plan, when added to the amount of new shares issued and issuable in respect of all awards granted under the proposed JCG Share Performance Plan, available to:

a) all controlling shareholders and their associates must not exceed 25% of the total number of shares available under the proposed JCG Share Performance Plan; and

b) each controlling shareholder or his associate must not exceed 10% of the total number of shares available under the proposed JCG Share Performance Plan.

The JCG Share Performance Plan will continue in force at the discretion of the Committee to a maximum of ten (10) years commencing from 30 April 2019. Subject to compliance with any applicable laws and regulations in Singapore, the proposed JCG Share Performance Plan may continue beyond the stipulated period with the approval of Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

During the financial year 31 December 2019, the Company has granted an aggregate of 284,444,445 shares under the share awards ("Share Awards") pursuant to the JCG Share Performance Plan, of which 138,888,889 shares under the Share Awards were granted to Ang Kok Huan, a Director of the Company. Pursuant to the vesting of the Share Awards on 27 September 2019, the Company allotted and issued 284,444,445 new shares on 27 September 2019.

Audit committee

The members of the Audit Committee (the "AC") at the end of the financial year were as follows:

Dr Lam Lee G (Chairman)
Yap Siean Sin
Cheung Wai Man, Raymond

All members of the AC were non-executive and independent directors.

The AC met 4 times in the financial year and carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50. In performing those functions, the AC reviews:

- The scope and the results of internal audit procedures;
- The audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit and the assistance given by the Company's management to the independent auditor;
- The half yearly and annual financial results and the independent auditor's report on the annual financial statements of the Company before their submission to the Board of Directors;
- The effectiveness of the Company's material internal controls, including financial, operational and compliance and information technology controls via reviews carried out;
- The quality of work performed by the independent auditor;
- The legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- The cost effectiveness, the independence and objectivity of the independent auditor;
- The nature and extent of non-audit services provided by the independent auditor;
- The reports of actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate; and
- The interested person transactions in accordance with the requirements of the Listing Manual of the SGX–ST.

The AC has met with the independent auditor without the presence of the Company's management at least once a year.

The AC has recommended to the Board of Directors that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Directors' Statement

For the financial year ended 31 December 2019

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Ang Kok Huan	Cheung Wai Man, Raymond
Director	Director

15 April 2020

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of JCG Investment Holdings Ltd. (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Group and the balance sheet of the Company. Because of the significance of the matters described in the Bases for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Bases for Disclaimer of Opinion

1. <u>Going concerns</u>

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:

As disclosed in Notes 4 and 27 to the financial statements, the Group and the Company incurred a net loss of S$3,247,000 (2018: S$1,991,000) and S$5,742,000 (2018: S$2,473,000) respectively and the Group also incurred net operating cash outflows of S$1,247,000 (2018: S$1,810,000) for the financial year ended 31 December 2019. As at 31 December 2019, the Group's and the Company's current liabilities exceeded its current assets by S$871,000 (2018: S$5,354,000) and S$1,071,000 (2018: S$3,852,000) respectively. The Group's cash and cash equivalents (excluding bank deposits pledged) were in a negative position of S$297,000 (2018: positive position of S$1,613,000). The Company's cash and cash equivalents (excluding bank deposits pledged) were S$114,000 (2018: S$347,000) respectively.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's and the Company's abilities to continue as going concerns. Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2019 is appropriate after taking into consideration the following actions and measures:

(a) On 10 January 2019, there was a capital injection of S$4,000,000 in cash by way of subscription for new ordinary shares of the Company from Rest Investments Ltd. A substantial amount of the capital injection was used to pay off the borrowing of S$3,493,000 due to a non-related party (Note 22).

(b) Conversion of payable to new ordinary shares of the Company upon completion of the corporate exercises on 10 January 2019 amounting to S$3,500,000 taking into consideration unwinding of imputed interest of S$151,000 (Note 21). The payable was due to a former shareholder, which arise in relation to the acquisition of 51% of CIC from China Medical Investments Co Pte. Ltd. (the "Vendor").

(c) The Group acquired Brand X Lab Pte. Ltd. ("Brand X Lab") and the acquisition was completed on 15 April 2019 (Note 32(i)). 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. This acquisition is synergistic with and complementary to the Company's existing medical aesthetics and healthcare business and will similarly augment other businesses that the Company would be expanding into in future.

Bases for Disclaimer of Opinion (cont'd)

1. <u>Going concerns</u> (cont'd)

(d) The Group had completed the acquisition of a controlling interests of 51% in Beverly Wilshire Medical Centre Group on 7 November 2019 (Note 32(ii)). In addition, the Company's wholly-owned subsidiary JCG-Beverly Pte Ltd had on 24 January 2020, formed a strategic joint venture with Natasha Skincare (Malaysia) Sdn Bhd under a Special Purpose Vehicle ("SPV"), 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. Furthermore, Natasha Beverly had on 10 March 2020 incorporated a strategic joint venture company, Spinalive Beverly Sdn. Bhd ("Spinalive Beverly") with Spinalive Sdn. Bhd. Spinalive Beverly's principal activities are chiropractic, traditional treatment and complementary medicine. Barring any unforeseen circumstances, the Group expects these new subsidiary corporations to contribute positively to the Group's working capital position.

(e) The Company had on 16 January 2020 completed the issuance and allotment of 427,807,485 subscription shares at an issue price of S$0.00187 to certain subscribers for a total consideration of S$800,000 and 85,561,497 investment warrants, each convertible into one warrant share at an exercise price of S$0.002 per investment warrant pursuant to the subscription agreements.

(f) 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.

The abilities of the Group and of the Company to continue in operational existence in the foreseeable future and to meet their financial obligations as and when they fall due are dependent on the positive outcome of the actions and measures under taken as disclosed above and it is uncertain whether the Group and the Company will raise further funds through any fund raising exercises. Therefore, we are unable to obtain sufficient audit evidence to be able to form an opinion as to whether the going concern basis of presentation of the accompanying financial statements of the Group and the Company is appropriate.

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 financial statements do not include any adjustment which may arise from these uncertainties.

Bases for Disclaimer of Opinion (cont'd)

2. **Independent review on the recoverability of advances and/or loans and goodwill**

(a) The Group had provided advances totalling S$6,078,000 to a few business partners for the setting up of clinics through joint venture arrangements and/or Wholly Foreign-Owned Enterprise ("WFOE") (Note 14). Impairment losses on advances and/or loans amounting to S$1,589,000 and S$4,489,000 were recognised and charged to profit and loss during the financial years ended 31 December 2017 and 2016 respectively. The total cumulative loss allowance amounting to S$6,078,000 were written off during the financial year ended 31 December 2019.

(b) Goodwill amounting to S$17,997,000 resulted from the acquisition of the Group's 51% owned subsidiary corporation, China iMyth Company Pte. Ltd. ("China iMyth") had been fully impaired during the financial year ended 31 December 2017 (Note 20(a)).

(c) The Board of Directors had commissioned and appointed an independent reviewer on 30 November 2018 to undertake an independent review of the Group's financial matters pertaining to the impaired advances and/or loans as well as other key matters relating to the acquisition and subsequent impairment of China iMyth. On 30 March 2020, the Company announced that the independent reviewer had completed and issued their independent review report to the Board of Directors.

At the date of this report we are unable to:

(a) Obtain sufficient appropriate audit evidence concerning the existence and accuracy of the total advances and/or loans provided to business partners totalling S$6,078,000 and the corresponding resultant cumulative impairment loss amounting to S$6,078,000.

(b) Determine whether the impairment loss provided on the goodwill resulted from acquisition of China iMyth is appropriate as we are unable to obtain sufficient appropriate audit evidence with respect to the cash flow projections.

(c) Ascertain nor perform any other audit procedures on whether the completed independent review announced on 30 March 2020 would have an impact on the Group's and the Company's ongoing business operations; and the significance of adjustments and other uncertainties of areas, if any, that may arise from the completed independent review, to the accompanying financial statements as we were not provided with sufficient turnaround time to validate the facts in the independent review report as well as to discuss with the management their proposed response and action plans.

The matters (a) to (c) mentioned above have been included in the Bases for Disclaimer of Opinion paragraph in the Independent Auditor's Report on the consolidated financial statements of the Group and the balance sheet of the Company for the financial years ended 31 December 2018 and 2017 dated 5 April 2019 and 3 April 2018 respectively.

3. **Consolidation of financial statement – iMyth Taiwan Limited**

As disclosed in Note 16 to the financial statements, the Group owned 51% equity interest in iMyth Taiwan Limited ("iMyth Taiwan") as at 31 December 2019.

We were unable to obtain sufficient audit evidence on all information and explanations, which we considered necessary to provide us with reasonable assurance on the completeness, existence and accuracy of the financial statements of iMyth Taiwan, which have been included in the consolidated financial statements of the Group for the financial year ended 31 December 2019. We were also unable to determine whether the financial information have been appropriately and properly consolidated.

The matter mentioned above have been included in the Bases for Disclaimer of Opinion paragraph in the Independent Auditor's Report on the consolidated financial statements of the Group and the balance sheet of the Company for the financial years ended 31 December 2018 and 2017 dated 5 April 2019 and 3 April 2018 respectively.

Bases for Disclaimer of Opinion (cont'd)

4. <u>Completeness of bank facilities</u>

As at 31 December 2019, we are unable to obtain certain bank confirmations relating to two subsidiary corporations, namely, Beverly Wilshire Medical Centre Sdn. Bhd. and Beverly Medical Centre Sdn. Bhd.. We were unable to ascertain the completeness of the banking facilities entered into by the two subsidiary corporations and also we were unable to satisfy ourselves by alternative means as to whether there are any other facilities with the financial institutions which could have an impact on the financial statements, or related information that are required to be disclosed.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's financial statements in accordance with Singapore Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Bases for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the *Bases for Disclaimer of Opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Loh Hui Nee.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

15 April 2020

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2019

	Note	Group 2019 S$'000	Group 2018 S$'000
Revenue	5	3,179	1,658
Cost of sales		(1,987)	(808)
Gross profit		1,192	850
Other income	6	39	42
Other gains	7	19	9
Expenses			
- Distribution		(110)	(184)
- Administrative		(4,143)	(2,042)
- Finance	10	(241)	(647)
Loss before income tax		(3,244)	(1,972)
Income tax expense	11	(3)	(19)
Net loss		(3,247)	(1,991)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Losses	26(b)(ii)	(6)	(159)
Other comprehensive losses, net of tax		(6)	(159)
Items that will not be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Losses	26(b)(ii)	(2)	(2)
Other comprehensive losses, net of tax		(2)	(2)
Total comprehensive loss		(3,255)	(2,152)
Loss attributable to:			
Equity holders of the Company		(3,088)	(2,038)
Non-controlling interests		(159)	47
		(3,247)	(1,991)
Total comprehensive loss attributable to:			
Equity holders of the Company		(3,080)	(2,197)
Non-controlling interests		(175)	45
		(3,255)	(2,152)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
- Basic and diluted loss per share	12	(0.02)	(0.02)

The accompanying notes form an integral part of these financial statements.

Balance Sheets
As at 31 December 2019

	Note	Group 2019 S$'000	Group 2018 S$'000	Company 2019 S$'000	Company 2018 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	13	1,354	1,613	114	347
Trade and other receivables	14	1,945	620	289	46
Inventories	15	538	-	-	-
		3,837	2,233	403	393
Non-current assets					
Investments in subsidiary corporations	16	-	-	7,203	352
Property, plant and equipment	17	6,781	31	316	4
Intangible assets	20	5,657	-	-	-
		12,438	31	7,519	356
Total assets		16,275	2,264	7,922	749
LIABILITIES					
Current liabilities					
Trade and other payables	21	2,767	4,054	900	4,245
Current income tax liabilities	11	128	40	-	-
Lease liabilities (office and medical centre)	22(a)	793	-	124	-
Borrowings	22(b)	1,020	3,493	450	-
		4,708	7,587	1,474	4,245
Non-current liabilities					
Trade and other payables	21	180	-	180	-
Lease liabilities (office and medical centre)	22(a)	2,251	-	188	-
Borrowings	22(b)	103	-	-	-
Deferred income tax liabilities	24	688	-	-	-
		3,222	-	368	-
Total liabilities		7,930	7,587	1,842	4,245
NET ASSETS/(LIABILITIES)		8,345	(5,323)	6,080	(3,496)
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	25	67,460	53,871	67,460	53,871
Other reserves	26	5,245	3,775	5,261	3,785
Accumulated losses		(65,941)	(63,106)	(66,641)	(61,152)
		6,764	(5,460)	6,080	(3,496)
Non-controlling interests	16	1,581	137	-	-
Total equity		8,345	(5,323)	6,080	(3,496)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2019

	Note	Attributable to equity holders of the Company							
		Share capital S$'000	Share options reserve S$'000	Currency translation reserve S$'000	Warrant reserve S$'000	Accumulated losses S$'000	Total S$'000	Non-controlling interests S$'000	Total S$'000
2019									
Beginning of financial year		53,871	278	(10)	3,507	(63,106)	(5,460)	137	(5,323)
Net loss for the financial year		-	-	-	-	(3,088)	(3,088)	(159)	(3,247)
Other comprehensive loss for the financial year		-	-	(6)	-	-	(6)	(2)	(8)
Total comprehensive loss for the financial year		-	-	(6)	-	(3,088)	(3,094)	(161)	(3,255)
Share option lapsed	26(b)(i)	-	(253)	-	-	253	-	-	-
Acquisition of subsidiary corporations	25, 32(i)(ii)	6,671	-	-	-	-	6,671	1,605	8,276
Share award under JCG share performance plan	25	284	-	-	-	-	284	-	284
Issuance of share capital	25	8,355	-	-	-	-	8,355	-	8,355
Conversion of warrants	25, 26(b)(iii)	13	-	-	(5)	-	8	-	8
Fair value adjustment of warrants	25, 26(b)(iii)	(1,734)	-	-	1,734	-	-	-	-
Total transactions with owners, recognised directly in equity		13,589	(253)	-	1,729	253	15,318	1,605	16,923
End of financial year		67,460	25	(16)	5,236	(65,941)	6,764	1,581	8,345

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2019

	Note	Attributable to equity holders of the Company							
		Share capital S$'000	Share options reserve S$'000	Currency translation reserve S$'000	Warrant reserve S$'000	Accumulated losses(*) S$'000	Total S$'000	Non-controlling interests S$'000	Total S$'000
2018									
Beginning of financial year		53,645	280	149	3,672	(61,068)	(3,322)	92	(3,230)
Net loss for the financial year		-	-	-	-	(2,038)	(2,038)	47	(1,991)
Other comprehensive loss for the financial year		-	-	(159)	-	-	(159)	(2)	(161)
Total comprehensive (loss)/income for the financial year		-	-	(159)	-	(2,038)	(2,197)	45	(2,152)
Share option lapsed		-	(2)	-	-	-	(2)	-	(2)
Conversion of warrants	25, 26(b)(iii)	75	-	-	(14)	-	61	-	61
Expiry of warrants	25, 26(b)(iii)	151	-	-	(151)	-	-	-	-
Total transactions with owners, recognised directly in equity		226	(2)	-	(165)	-	59	-	59
End of financial year		53,871	278	(10)	3,507	(63,106)	(5,460)	137	(5,323)

* Retained profits of the Group are distributable when the Group is profitable.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2019

	Note	Group 2019 S$'000	Group 2018 S$'000
Cash flows from operating activities			
Net loss		(3,247)	(1,991)
Adjustments for:			
- Income tax expense	11	3	19
- Amortisation of intangible assets	8	53	-
- Depreciation of property, plant and equipment	8	343	48
- Property, plant and equipment written-off	8	-	5
- Gain on deconsolidation of subsidiary corporations	7	(19)	-
- Introducer fees by way of issuance of ordinary shares	8	355	-
- Share awards	9	284	-
- Interest income	6	(7)	(9)
- Finance expenses	10	241	647
- Unrealised currency translation gains		3	(91)
		(1,991)	(1,372)
Change in working capital, net of effects from acquisition and disposal of subsidiary corporations:			
- Trade and other receivables		1,634	(70)
- Inventories		109	44
- Trade and other payables		(885)	(417)
Cash used in operations		(1,133)	(1,815)
- Interest received		7	9
- Income tax paid		(121)	(4)
Net cash used in operating activities		(1,247)	(1,810)
Cash flows from investing activities			
- Acquisition of subsidiary corporations, net of cash acquired	32	(509)	-
- Additions to property, plant and equipment	17	(82)	(8)
Net cash used in investing activities		(591)	(8)
Cash flows from financing activities			
- Bank deposit discharged		-	503
- Bank deposit pledged		(750)	-
- Proceeds from issuance of ordinary shares		4,500	-
- Proceeds from conversion of warrants		8	61
- Repayment of borrowings		(3,544)	-
- Repayment of lease liabilities		(161)	-
- Repayment of finance lease		(35)	-
- Interest paid		(90)	(477)
Net cash (used in)/provided by financing activities		(72)	87
Net decrease in cash and cash equivalents		(1,910)	(1,731)
Cash and cash equivalents			
Beginning of financial year		1,613	3,344
Effects of currency translation on cash and cash equivalents		-*	-*
End of financial year	13	(297)	1,613

* Less than S$1,000

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2019

Reconciliation of liabilities arising from financing activities

	1 January 2019	Principal and interest payments	Interest expense	Adoption of SFRS(I) 16	Acquisition arising from business combination	Currency exchange loss	31 December 2019
			Non-cash changes				
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Borrowings	3,493	(3,585)	41	-	236	-*	185
Finance lease	-	(35)	-	-	72	-*	37
Lease liabilities	-	(200)	39	352	2,853	-*	3,044

	1 January 2018	Principal and interest payments	Interest expense	Adoption of SFRS(I) 16	Acquisition arising from business combination	Currency exchange loss	31 December 2018
			Non-cash changes				
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Borrowings	3,421	(477)	477	-	-	72	3,493

* Less than S$1,000

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General information

JCG Investment Holdings 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 Company are those of investment holding and provision of management services.

The principal activities of its subsidiary corporations are disclosed in Note 16 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar ("SGD or S$") and all values in the tables are rounded to the nearest thousand (S$'000) as indicated.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Notes 3 and 4 to the financial statements respectively.

Interpretations and amendments to published standards effective 2019

On 1 January 2019, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of SFRS(I) 16 Leases:

Adoption of SFRS(I) 16 Leases

(a) When the Group is the lessee

Prior to the adoption of SFRS(I) 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Group's accounting policy on leases after the adoption of SFRS(I) 16 is as disclosed in Note 2.15 to the financial statements.

2. Significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Adoption of SFRS(I) 16 Leases (cont'd)

(a) When the Group is the lessee (cont'd)

On initial application of SFRS(I) 16, the Group has elected to apply the following practical expedients:

(i) For all contracts entered into before 1 January 2019 and that were previously identified as leases under SFRS(I) 1-17 Lease and SFRS(I) INT 4 Determining whether an Arrangement contains a Leases, the Group has not reassessed if such contracts contain leases under SFRS(I) 16;

(ii) On a lease-by-lease basis, the Group has accounted for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.

There were no onerous contracts as at 1 January 2019.

For leases previously classified as operating leases on 1 January 2019, the Group has applied the following transition provisions:

(i) On a lease-by-lease basis, the Group chose to measure its ROU assets at amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

(ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 January 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.

There is no material impact on the adoption of SFRS(I)16 as the Group has elected not to apply the requirements under SFRS(I)16 as the leases previously classified as operating leases were short-term on 1 January 2019.

(b) When the Group is a lessor

There are no material changes to accounting by the Group as a lessor except when the Group is an intermediate lessor (Note 2.1(c)).

(c) When the Group is the intermediate lessor

The Group leases an underlying asset under a head lease arrangement and subleases the same asset to third party and subsidiary corporations as an intermediate lessor. Prior to the adoption of SFRS(I) 16, the sublease is classified as an operating lease when the head lease is an operating lease. The intermediate lessor recorded rental income in respect of the sublease on a straight-line basis over the term of the sublease and recorded rental expense in respect of the head lease on a straight-line basis over the term of the head lease.

Under SFRS(I) 16, accounting by the Group as an intermediate lessor depends on the classification of the sublease with reference to the ROU asset arising from the head lease rather than the underlying asset.

2. Significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Adoption of SFRS(I) 16 Leases (cont'd)

(c) When the Group is the intermediate lessor (cont'd)

On 1 January 2019, the Group has reassessed the classification of the sublease based on the remaining contractual terms and condition of the head lease. There is no material impact on the adoption of SFRS(1)16 by the Group as an intermediate lessor on the Group's financial statements as at 1 January 2019.

The accounting policy for subleases are disclosed in Note 2.15(b).

(d) The effects of adoption of SFRS(I)16 on the Group's financial statements during the financial year 2019 are as follows:

	Increase S$'000
Property, plant and equipment (Note 17)	352
Lease liabilities	352

(e) An explanation of the differences between the operating lease commitments previously disclosed in the Group's financial statements as at 31 December 2018 and the lease liabilities recognised in the balance sheet as at the respective dates are as follows:

	S$'000
Operating lease commitment disclosed as at 31December 2018	-*
Add: Finance lease recognised as at date of adoption of SFRS(I) 16	352
Total lease liabilities	352

* Less than S$1,000

2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised goods or services to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied over time or at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2. Significant accounting policies (cont'd)

2.2 Revenue recognition (cont'd)

(a) Rendering of services

(i) Aesthetic services

Revenue from rendering of services that are of short duration is recognised at a point in time when the Group satisfies a performance obligation by transferring control of a promised service to the customer. Revenue from rendering of packaged services is recognised overtime by reference to the usage of packaged sales of the transaction at the balance sheet date determined by services performed to date to the total packaged sales. Free services represent promised services under the main packaged services and a portion of the transaction price from the main service contracts are allocated to these free services. Revenue of free services is recognised at a point in time upon the completion of aesthetic procedures rendered to the customers. Advances received relate to the Group's obligation to provide goods and services to customers for which the Group has received advances from customers.

(ii) Event organisations and management consultancy services

Revenue from rendering of services that are recognised at a point in time when the Group satisfies a performance obligation by transferring control of those services to the customers when the events have taken place and/or services are rendered.

Revenue billed in advance of the rendering of services is recognised as deferred revenue and included in "Trade and other payables" at the balance sheet date.

(b) Sale of goods - Steel raw materials

Revenue is recognised at a point in time when goods are delivered to the customer and all criteria for acceptance have been satisfied.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised when a straight-line basis over the lease term.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as "Other income".

Government grants relating to assets are deducted against the carrying amount of the assets.

2. Significant accounting policies (cont'd)

2.4 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

The acquisition method of accounting is used to account for business combinations entered into by the Group.

(ii) Acquisitions

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill on acquisition" for the subsequent accounting policy on goodwill.

2. Significant accounting policies (cont'd)

2.4 Group accounting (cont'd)

(a) Subsidiary corporations (cont'd)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.5 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Significant accounting policies (cont'd)

2.5 Property, plant and equipment (cont'd)

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Office equipment and fixtures	2 to 15 years
Renovation	5 to 15 years
Medical and laboratory equipment	3 to 10 years
Clinic equipment	7 years
Motor vehicle	5 to 7 years
Signboard and signage	2 to 5 years
Office and medical centre	3 to 6 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains".

2.6 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

2. Significant accounting policies (cont'd)

2.6 Intangible assets (cont'd)

(b) Customer relationships

The customer relationships acquired in business combination are initially recognised at cost, which represents the fair value at the date of acquisition and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

These costs are amortised to profit or loss using the straight-line method over 3 years.

The amortisation period and amortisation method are reviewed at least at each balance sheet date. The effects of any revision are recognised to profit or loss when the changes arise.

(c) Trademark/brand

The trademark is initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

These costs are amortised to profit or loss using the straight-line method over 10 years.

The amortisation period and amortisation method are reviewed at least at each balance sheet date. The effects of any revision are recognised to profit or loss when the changes arise.

2.7 Borrowing costs

Borrowing costs include interest in respect of lease liabilities recognised in accordance with SFRS(I) 16 and are recognised in profit or loss using the effective interest method.

2.8 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is higher of the CGU's fair value less cost to sell and value-in-use.

2. Significant accounting policies (cont'd)

2.9 Impairment of non-financial assets (cont'd)

(a) Goodwill (cont'd)

The total impairment of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Intangible assets
Property, plant and equipment
Right-of-use assets
Investments in subsidiary corporations

Intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. Significant accounting policies (cont'd)

2.10 Financial assets

(a) Classification and measurement

The Group classifies and measures its financial assets at amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments of the Group mainly comprise of cash and cash equivalents and trade and other receivables.

Depending on the Group's business model for managing the asset and the cash flow characteristics of the asset, the subsequent measurement are as follows:

Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Equity instruments

The Group does not hold any equity investments at their fair values.

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The management does not expect significant adjustments to the Group's financial statements.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2. Significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.11 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(i) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(ii) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit and loss over the period of the borrowings using the effective interest method.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. Significant accounting policies (cont'd)

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Leases

i) The accounting policy for leases before 1 January 2019 are as follows:

(a) When the Group is the lessee:

The Group and the Company leases office spaces from non-related parties and clinic spaces from a related party under operating leases.

Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) When the Group is the lessor:

The Group leases office space under operating leases to a non-related party.

Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2. Significant accounting policies (cont'd)

2.15 Leases (cont'd)

ii) The accounting policy for leases from 1 January 2019 are as follows:

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment".

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

2. Significant accounting policies (cont'd)

2.15 Leases (cont'd)

ii) The accounting policy for leases from 1 January 2019 are as follows: (cont'd)

(a) When the Group is the lessee: (cont'd)

- Lease liabilities (cont'd)

  Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a change in the Group's assessment of whether it will exercise an extension option; or
  - There is modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

  The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(b) When the Group is the lessor:

The accounting policy applicable to the Group as a lessor in the comparative period were the same under SFRS(I) 16 except when the Group is an intermediate lessor.

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retains in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2. Significant accounting policies (cont'd)

2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither goodwill or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2. Significant accounting policies (cont'd)

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as "Finance expense".

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the profit or loss when the changes arise.

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore and the Employees' Provident Fund in Malaysia on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balances previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued to the employees.

2. Significant accounting policies (cont'd)

2.19 Employee compensation (cont'd)

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset. (cont'd)

(c) Performance shares

Benefits to employees including the directors are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's share on grant date. This fair value is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vested, with the corresponding adjustment made in equity.

Cancellation of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

(d) Short-term compensated absences

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.20 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments) and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

2. Significant accounting policies (cont'd)

2.20 Currency translation (cont'd)

(b) Transactions and balances (cont'd)

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "Finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other gains".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at the average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the balance sheet date.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whose members are responsible for allocating resources and assessing performance of the operating segments.

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2. Significant accounting policies (cont'd)

2.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.24 Warrant reserves

Proceeds from the rights cum warrants issue are allocated separately between the value of the share capital and the value of the warrants. The fair value of the warrants is recorded in warrant reserves until transferred to the share capital account when the warrants are exercised or on expiry of the warrants which is net of transaction costs.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(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 information about the ECL on the Group's trade receivables are disclosed in Note 29(b) to the financial statements.

The carrying amount of trade receivables as at 31 December 2019 is S$744,000 (2018: S$144,000) (Note 14).

(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.

3. Critical accounting estimates, assumptions and judgements (cont'd)

(b) *Expected Credit Loss ("ECL") of other receivables* (cont'd)

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 information about the ECL on the Group's trade receivables are disclosed in Note 29(b) to the financial statements.

The carrying amount of other receivables as at 31 December 2019 is S$506,000 (2018:S$433,000) (Note 14).

(c) *Valuation of intangible asets 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 and estimate of the expected future cash flows of the acquired business and choosing a suitable discount rate.

The carrying amount of goodwill as at 31 December 2019 is S$4,289,000 (2018:S$Nil) (Note 20(a)).

4. Going concern

The following circumstances give rise to material uncertainties as to the appropriateness of the use of the going concern assumption in the preparation of the accompanying financial statements of the Group and the Company for the current financial year:

As disclosed in Notes 4 and 27 to the financial statements, the Group and the Company incurred a net loss of S$3,247,000 (2018: S$1,991,000) and S$5,742,000 (2018: S$2,473,000) respectively and the Group also incurred net operating cash outflows of S$1,247,000 (2018: S$1,810,000) for the financial year ended 31 December 2019. As at 31 December 2019, the Group's and the Company's current liabilities exceeded its current assets by S$871,000 (2018: S$5,354,000) and S$1,071,000 (2018: S$3,852,000) respectively. The Group's cash and cash equivalents (excluding bank deposits pledged) were in a negative position of S$297,000 (2018: positive position of S$1,613,000). The Company's cash and cash equivalents (excluding bank deposits pledged) were S$114,000 (2018: S$347,000) respectively.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's and the Company's abilities to continue as going concerns. Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2019 is appropriate after taking into consideration the following actions and measures:

(a) On 10 January 2019, there was a capital injection of S$4,000,000 in cash by way of subscription for new ordinary shares of the Company from Rest Investments Ltd. A substantial amount of the capital injection was used to pay off the borrowing of S$3,493,000 due to a non-related party (Note 22).

(b) Conversion of payable to new ordinary shares of the Company upon completion of the corporate exercises on 10 January 2019 amounting to S$3,500,000 taking into consideration unwinding of imputed interest of S$151,000 (Note 21). The payable was due to a former shareholder, which arise in relation to the acquisition of 51% of CIC from China Medical Investments Co Pte. Ltd. (the "Vendor").

4. Going concern (cont'd)

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's and the Company's abilities to continue as going concerns. Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2019 is appropriate after taking into consideration the following actions and measures: (cont'd)

(c) The Group acquired Brand X Lab Pte. Ltd. ("Brand X Lab") and the acquisition was completed on 15 April 2019 (Note 32(i)). 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. This acquisition is synergistic with and complementary to the Company's existing medical aesthetics and healthcare business and will similarly augment other businesses that the Company would be expanding into in future.

(d) The Group had completed the acquisition of a controlling interests of 51% in Beverly Wilshire Medical Centre Group on 7 November 2019 (Note 32(ii)). In addition, the Company's wholly-owned subsidiary JCG-Beverly Pte Ltd had on 24 January 2020, formed a strategic joint venture with Natasha Skincare (Malaysia) Sdn Bhd under a SPV, 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. Furthermore, Natasha Beverly had on 10 March 2020 incorporated a strategic joint venture company, Spinalive Beverly Sdn. Bhd ("Spinalive Beverly") with Spinalive Sdn. Bhd. Spinalive Beverly's principal activities are chiropractic, traditional treatment and complementary medicine. Barring any unforeseen circumstances, the Group expects these new subsidiary corporations to contribute positively to the Group's working capital position.

(e) The Company had on 16 January 2020 completed the issuance and allotment of 427,807,485 subscription shares at an issue price of S$0.00187 to certain subscribers for a total consideration of S$800,000 and 85,561,497 investment warrants, each convertible into one warrant share at an exercise price of S$0.002 per investment warrant pursuant to the subscription agreements.

(f) 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.

The abilities of the Group and of the Company to continue in operational existence in the foreseeable future and to meet their financial obligations as and when they fall due are dependent on the positive outcome of the actions and measures under taken as disclosed above and it is uncertain whether the Group and the Company will raise further funds through any fund raising exercises. Therefore, we are unable to obtain sufficient audit evidence to be able to form an opinion as to whether the going concern basis of presentation of the accompanying financial statements of the Group and the Company is appropriate.

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 financial statements do not include any adjustment which may arise from these uncertainties.

5. Revenue

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product and service lines and geographical locations. Revenue is attributed to countries by location of customers.

	At a point in time S$'000	Over time S$'000	Total S$'000
2019			
Aesthetic services			
- Malaysia	1,319	-	1,319
- Republic of China, Taiwan and People's Republic of China	243	-	243
Event organisation and management consultancy services			
- Singapore	1,201	-	1,201
Sales of goods - Steel raw materials			
- Singapore	416	-	416
	3,179	-	3,179
2018			
Aesthetic services			
- Republic of China, Taiwan and People's Republic of China	263	64	327
Sales of goods - Steel raw materials			
Singapore	1,331	-	1,331
	1,594	64	1,658

6. Other income

	Group 2019 S$'000	Group 2018 S$'000
Interest income from bank deposits	7	9
Rental income on operating lease	19	33
Government grants[1]	2	-
Others	11	-
	39	42

[1] Government grants pertain to Government-Paid Child Care Leave.

Government-Paid Child Care Leave ("GPCL") are provided to working parents under the GPCL scheme to provide sufficient time for parents to care for and spend quality time with their children.

7. Other gains

	Group 2019 S$'000	Group 2018 S$'000
Gain on deconsolidation of subsidiary corporations (Note 13)	19	-
Other	-	9
	19	9

8. Expenses by nature

	Group 2019 S$'000	Group 2018 S$'000
Agent commission	51	-
Amortisation of intangible assets (Note (20b))	53	-
Consultant fees	136	-
Depreciation of property, plant and equipment (Note 17)	343	48
Directors' fees	157	200
Doctors' commissions	129	-
Employee compensation (Note 9)	1,642	733
Entertainment expenses	31	-
Electricity expenses	35	-
Event organisation and management consultancy costs	815	-
Fees on audit services paid/payable to:		
- Auditor of the Company	207	116
- Other auditors	-*	2
Introducer fees (Note 25)	355	-
IT expenses	33	-
Insurance	22	17
Marketing expenses	33	-
Property, plant and equipment written-off	-	5
Purchase of inventories	620	680
Printing and stationery	90	10
Professional fees	800	799
Rental expense on operating leases	139	166
Stamp duty	28	-
Transportation expenses	17	-
Travelling and accommodation	47	30
Treatment fees	62	36
Changes in inventories	107	35
Other	288	157
Total cost of sales, distribution and administrative expenses	6,240	3,034

* Less than S$1,000

9. Employee compensation

	Group 2019 S$'000	Group 2018 S$'000
Wages and salaries	1,202	660
Employer's contribution to defined contribution plans	143	67
Share award (Note 25[9])	284	-
Other short-term benefits	13	6
	1,642	733

10. Finance expenses

	Group 2019 S$'000	Group 2018 S$'000
Interest expense		
- Borrowings (non-related party)	51	477
- Lease liabilities/finance lease liabilities (Note 18(c))	39	-
	90	477
Unwinding of imputed interest		
- Other payables (Note 21)	151	170
	241	647

11. Income taxes

(a) Income tax expense

	Group 2019 S$'000	Group 2018 S$'000
Tax expense attributable to loss is made up of:		
Loss for the financial year:		
- Current income tax - Singapore	-	34
- Deferred income tax (Note 24)	(20)	-
Under/(over) provision in prior financial years:		
- Current income tax	23	(15)
	3	19

11. Income taxes (cont'd)

(a) Income tax expense (cont'd)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax is as follows:

	Group	
	2019	2018
	S$'000	S$'000
Loss before income tax	(3,244)	(1,972)
Tax calculated at tax rate of 17% (2018: 17%)	(551)	(335)
Effects of:		
- Different tax rates in other countries	(23)	-*
- Tax incentives	-	(10)
- Expenses not deductible for tax purposes	59	422
- Singapore statutory stepped income exemption	-	(43)
- Unrecognised tax losses	503	-
- Under/(over) provision of income tax in prior financial years	23	(15)
- Other	(8)	-
Tax expense	3	19

* Less than S$1,000

(b) Movement in current income tax liabilities

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Beginning of financial year	40	25	-	3
Tax expenses	3	34	3	-
Acquisition of subsidiary corporation (Note 32(i))	183	-	-	-
Income tax paid	(121)	(4)	(3)	(3)
Under/(over) provision of income tax in prior financial years	23	(15)	-	-
End of financial year	128	40	-	-

12. Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2019	**2018**
Net loss attributable to equity holders of the Company (S$'000)	(3,088)	(2,038)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	12,455,805	8,809,901
Basic loss per share (cents per share)	(0.02)	(0.02)

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares in respect of share options and warrants.

For share options and warrants, the weighted average number of shares on issue has been adjusted as if all dilutive share options and warrants were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options and warrants less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

Diluted loss per share attributable to equity holders of the Company are calculated as follows:

	Group	
	2019	**2018**
Net loss attributable to equity holders of the Company (S$'000)	(3,088)	(2,038)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	12,455,805	8,809,901
Adjustments for ('000)		
- Call and put options shares (Note 25(c))	250,000	-
- Call and put options warrants (Note 25(c))	250,000	-
- Employee share options (Note 25(a))	38,488	156,473
- Warrants (Note 25[(11)(12)])	4,471,484	5,601,440
	5,009,972	5,757,913
Diluted loss per share (cents per share)	(0.02)*	(0.02)*

* As loss was recorded, the dilutive potential shares from share options and warrants are anti-dilutive and no change is made to the diluted loss per share.

13. Cash and cash equivalents

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Cash at bank and on hand	604	1,613	114	347
Short-term bank deposit [1]	750	-	-	-
	1,354	1,613	114	347

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2019	2018
	S$'000	S$'000
Cash and bank balances (as above)	1,354	1,613
Less: Short-term bank deposit[1]	(750)	-
Less: Bank overdrafts (Note 22)	(901)	-
Cash and cash equivalents per consolidated statement of cash flows	(297)	1,613

(1) Short-term bank deposit placed is for twelve months period for the purpose of generating interest income at the respective short-term deposit rates.

13. Cash and cash equivalents (cont'd)

Acquisition and deconsolidation of subsidiaries corporations

Please refer to Note 32 to the financial statements for the effects of acquisition of subsidiary corporations on the cash flows of the Group.

The Company had strike-off certain subsidiary corporations during the financial year ended 31 December 2019.

The effect of the deconsolidation arising from the strike-off subsidiary corporations on the cash flows of the Group were as follows:

	Albedo Sdn Bhd S$'000	CMIG Medical Services (Hong Kong) Limited S$'000	CMIG Medical Clinics (Hong Kong) Limited S$'000	China iMyth (Hong Kong) Limited S$'000	CMIG Ren Feng Med-Biotechnology Limited S$'000	CMIG Ren Feng Medical (Futian) Limited S$'000	CMIG Ren Feng Medical (Nanshan) Limited S$'000	CMIG GY Sales Limited S$'000	Total S$'000
Carrying amounts of assets and liabilities as at the date of deconsolidation:									
Cash and bank balances	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	1	-	-	-	-	1
Other payables	-	1	-	22	-	-	-	-	23
Net liabilities deconsolidated	-	1	-	21	-	-	-	-	22
Less: Non-controlling interests	-	-	-	-	-	-	-	-	-
Net liabilities deconsolidated (Note 16) (as below)	-	1	-	21	-	-	-	-	22
Net liabilities deconsolidated (as above)	-	1	-	21	-	-	-	-	22
Reclassification of currency translation reserve	19	(33)	4	12	-*	(5)	-*	-*	(3)
	19	(32)	4	33	-*	(5)	-*	-*	19
Gain/(loss) on deconsolidation (Note 7)	19	(32)	4	33	-*	(5)	-*	-*	19
Cash proceeds from deconsolidation	-	-	-	-	-	-	-	-	-
Less: Cash and bank balances in subsidiary corporations deconsolidated	-	-	-	-	-	-	-	-	-
Net cash outflow on deconsolidation	-	-	-	-	-	-	-	-	-

* Less than S$1,000

14. Trade and other receivables

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Trade receivables				
Non-related parties	750	144	-	-
Related parties	10	-	-	-
	760	144		
Less: Loss allowance (Note 29(b)(i))	(16)	-	-	-
	744	144	-	-
Other receivables				
Subsidiary corporations	-	-	1,978	3,616
Related parties	340	2,323	-	1,109
Non-related parties	166	4,188	8	527
	506	6,511	1,986	5,252
Less: Loss allowance (Note 29(b)(i))	-	(6,078)	(1,762)	(5,224)
	506	433	224	28
Deposits	607	28	37	3
Prepayments	88	15	28	15
	1,945	620	289	46

Other receivables due from subsidiary corporations and related parties are non-trade, unsecured, interest-free and repayable on demand.

During the financial year ended 31 December 2016, the Group entered into collaboration agreements with a few business partners. The Group is obliged to finance the initial expenditures ("advances and/or loans"), such as marketing costs, rental costs and staff costs in setting up new businesses relating to aesthetic medical clinics, management of renal hospital, rendering of platelet-rich plasma and hemodialysis services in the People's Republic of China ("PRC"). To safeguard its interests, the Group had entered into loan agreements with all these business partners to enable the Group to have the right to recover these advances and/or loans from the business partners on demand.

Out of the total advances and/or loans provided of S$6,078,000 to its business partners for the financial years ended 31 December 2019 and 2018 respectively:

(a) The Group made a loss allowance of S$4,489,000 during the financial year ended 31 December 2017 for the advances and/or loans to its business partners. The Board of Directors had assessed the development progress and business outlook as proposed by the respective business partners and is of the opinion that the desired return on investment would take longer than envisaged;

(b) The Group made a loss allowance of S$1,041,000 during the financial year ended 31 December 2017 for advances and/or loans to business partners as the Board of Directors has decided not to proceed with the initial plan in FY2016 to convert the advances and/or loan by taken up a minority equity stake in the business partners' investment entity and also recoverability of the amount is not foreseeable; and

(c) The Group made a loss allowance of S$548,000 during the financial year ended 31 December 2017 for advances and/or loan to a clinic managed by two medical practitioners in Shenzhen city in PRC as the collaboration to invest and grow the aesthetic medical services did not proceed as planned.

As at 31 December 2018, total cumulative loss allowance amounting to S$6,078,000 and these were subsequently written off during the financial year ended 31 December 2019.

15. Inventories

	Group 2019 S$'000	Group 2018 S$'000
Drugs and medicine and medical consumables	538	-
Recognised as an expense and included in "Cost of sales"		
Finished/trading goods	369	715
Drugs and medicine and medical consumables	358	-

16. Investments in subsidiary corporations

	Company 2019 S$'000	Company 2018 S$'000
Equity investments at cost		
Beginning of financial year	22,136	22,136
Additions[(1)(2)](Note 32)	6,851	-
Disposal (Note 13)	(22)	-
End of financial year	28,965	22,136
Allowance for impairment loss		
Beginning of financial year	21,784	21,784
Impairment loss[(3)]	-	-
Disposal	(22)	-
End of financial year	21,762	21,784
Carrying amount	7,203	352

(1) On 15 April 2019, the Company completed the acquisition of 100% of the issued and fully paid up ordinary shares in the capital of Brand X Lab Pte. Ltd. ("Brand X Lab"). Consequently, Brand X Lab became wholly-owned subsidiary corporation of the Company (Note 32(i)).

(2) On 7 November 2019, the Company completed the acquisition of 51% of the total issued share capital in Beverly Wilshire Group, incorporated in Malaysia. Consequently, the entities under Beverly Wilshire Group became wholly-owned subsidiary corporations of the Company (Note 32(ii)).

(3) Management assessed for impairment whenever there is any objective evidence or indication that investments in subsidiary corporations may be impaired. No loss allowance was made in respect of the Company's investments in certain subsidiary corporations to reduce the carrying amount of the investments to their recoverable amounts during the financial years ended 31 December 2019 and 2018 respectively. The recoverable amount was determined using the net tangible asset value in financial year ended 31 December 2019, the recoverable amount was determined using the value-in-use method based on cash flow projections discounted at rates based on the market interest rates adjusted for specific risk to the industry. The calculation requires the use of estimates and key assumptions that are disclosed in Note 20(a) to the financial statements.

16. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 December 2019 and 2018:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company 2019	Proportion of ordinary shares held by the Company 2018	Proportion of ordinary shares held by the Group 2019	Proportion of ordinary shares held by the Group 2018	Proportion of ordinary shares held by non-controlling interests 2019	Proportion of ordinary shares held by non-controlling interests 2018
			%	%	%	%	%	%
Held by the Company								
Albedo Corporation Pte. Ltd. ("ACPL")(1)	To carry on the business of general merchants, importers, exporters, commission agents and dealers in raw materials, consumables, instruments and semi-finished products for steel mills, iron and steel foundries and aluminium smelters in the Asia- Pacific region	Singapore	100	100	100	100	-	-
Albedo Sdn. Bhd.(2)	Provision of marketing, distribution and related services and trading in raw materials, consumables, instruments and semi-finished products for steel mills, iron and steel foundries and aluminium smelters	Malaysia	-	100	-	100	-	-
Brand X Lab Pte. Ltd.(1)(13)	Event organisation and management consultancy	Singapore	100	-	100	-	-	-
China iMyth Company Pte. Ltd.(1)	Investment holding and provision of management services	Singapore	51	51	51	51	49	49
CMIC Hemodialysis Pte. Ltd.(1)	Investment holding	Singapore	100	100	100	100	-	-
CMIG Medical Services (Hong Kong) Limited.(5)	Investment holding and provision of management services	Hong Kong	-	100	-	100	-	-

16. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 December 2019 and 2018: (cont'd)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company 2019	Proportion of ordinary shares held by the Company 2018	Proportion of ordinary shares held by the Group 2019	Proportion of ordinary shares held by the Group 2018	Proportion of ordinary shares held by non-controlling interests 2019	Proportion of ordinary shares held by non-controlling interests 2018
			%	%	%	%	%	%
Held by the Company (cont'd)								
CMIG Medical Clinics (Hong Kong) Limited[6]	Investment holding and provision of management services	Hong Kong	-	100	-	100	-	-
JCG-Beverly Pte. Ltd.[1][14]	Investment holding and provision of management services	Singapore	100	-	100	-	-	-
JCG Health Pte. Ltd.[1][14][19]	Investment holding and provision of management services	Singapore	100	-	100	-	-	-
Held by JCG-Beverly Pte. Ltd.								
Beverly Wilshire Medical Centre Sdn. Bhd.[3][16][17]	Provision of cosmetic and plastic surgery, health screening and as medical specialist centre with out-patient and day care services and activities	Malaysia	-	-	51	-	49	-
Beverly Wilshire Medical Centre (JB) Sdn. Bhd.[3][16][17]	Provision of aesthetic and cosmetic surgery and reconstructive surgery	Malaysia	-	-	51	-	49	-
Beverly Wilshire Tropicana City Mall Sdn. Bhd.[3][16][18]	Provision of cosmetologial and aesthetical related treatments	Malaysia	-	-	51	-	49	-
Beverly Wilshire Aesthetic Dental Centre Sdn. Bhd.[3][16][17]	Provision of aesthetic dental care	Malaysia	-	-	51	-	49	-
Beverly Wilshire Hair Transplant Sdn. Bhd.[3][16][17][19]	Provision of hair transplant care	Malaysia	-	-	51	-	49	-

16. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 December 2019 and 2018: (cont'd)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company 2019	2018	Proportion of ordinary shares held by the Group 2019	2018	Proportion of ordinary shares held by non-controlling interests 2019	2018
			%	%	%	%	%	%
Held by JCG-Beverly Pte. Ltd. (cont'd)								
Beverly Medical Centre Sdn. Bhd.(3)(17)(19)(20)	Provision of cosmetic and plastic surgery, health screening and as a medical specialist centre, with out-patient, in-patient and day care services and activities	Malaysia	-	-	100	-	-	-
Beverly Wilshire Medical Academy and Research Centre Sdn. Bhd.(3)(16)(17)	Provision of aesthetic, cosmetic and plastic surgery, healthy aging therapy, health screening and wellness and medical research	Malaysia	-	-	69*	-	31	-
Held by Beverly Wilshire Medical Centre Sdn Bhd								
Beverly Wilshire Cosmetic Surgery Centre Sdn. Bhd.(3)(16)(17)(19)	Provision of cosmetic and plastic surgery treatment and services	Malaysia	-	-	100	-	100	-
Held by CMIC Hemodialysis Pte. Ltd.								
CMIC Hemodialysis (Hong Kong) Limited(12)	Investment holding and provision of management services	Hong Kong	100	100	100	100	-	-
Held by China iMyth Company Pte. Ltd.								
iMyth Taiwan Limited(4)	Provision of management services required for operation of clinics, including office, facilities, equipment, medical materials and pharma-ceuticals	Republic of China, Taiwan	-	-	51	51	49	49

16. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 December 2019 and 2018: (cont'd)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company 2019	2018	Proportion of ordinary shares held by the Group 2019	2018	Proportion of ordinary shares held by non-controlling interests 2019	2018
			%	%	%	%	%	%
Held by China iMyth Company Pte. Ltd. (Cont'd)								
China iMyth (Hong Kong) Limited[15]	Investment holding and provision of management services	Hong Kong	-	-	-	51	-	49
China iMyth (Shanghai) Co., Ltd.[11]	Engagement in research and development, technical support, market development and management consultancy in the field of aesthetics medicine and plastic surgery	People's Republic of China	-	-	-	50	-	50
Held by China Medical Services (Hong Kong) Limited								
CMIG Ren Feng Med-Biotechnology Limited[7]	Investment holding and provision of management services	Hong Kong	-	-	-	50	-	50
CMIG Ren Feng Medical (Futian) Limited[8]	Investment holding and provision of management services	Hong Kong	-	-	-	50	-	50
CMIG Ren Feng Medical (Nanshan) Limited[9]	Investment holding and provision of management services	Hong Kong	-	-	-	50	-	50
CMIG GY Sales Limited[10]	Investment holding and provision of management services	Hong Kong	-	-	-	51	-	51

(1) Audited by Nexia TS Public Accounting Corporation, Singapore.

(2) De-registration has been completed on 5 July 2019.

(3) For the purpose of the consolidated financial statements, these financial statements are reviewed and/or audited by Nexia TS Public Accounting Corporation, Singapore.

(4) Not required to be audited under the laws of the country of incorporation.

(5) 100 ordinary shares totalling S$18 (equivalent to HKD 100) were allotted and issued to the Company at the date of incorporation on 10 May 2016. CMIG Medical Services (Hong Kong) Limited has not called for the issued shares to be paid up as at 31 December 2018. The Company has completed de-registration on 26 April 2019.

16. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 December 2019 and 2018: (cont'd)

(6) 100 ordinary shares totalling S$18 (equivalent to HKD 100) were allotted and issued to the Company at the date of incorporation on 10 May 2016. CMIG Medical Clinics (Hong Kong) Limited has not called for the issued shares to be paid up as at 31 December 2018. The Company has completed de-registration on 26 April 2019.

(7) 5,000 ordinary shares totalling S$900 (equivalent to HKD 5,000) were allotted and issued to CMIG Medical Services (Hong Kong) Limited at the date of incorporation on 30 August 2016. CMIG Ren Feng Med-Biotechnology Limited has not called for the issued shares to be paid up as at 31 December 2018. CMIG Ren Feng Med-Biotechnology Limited has completed de-registration on 13 September 2019.

(8) 5,000 ordinary shares totalling S$305,000 (equivalent to HKD 1,731,400) were allotted and issued to CMIG Medical Services (Hong Kong) Limited at the date of incorporation on 30 August 2016. CMIG Ren Feng Medical (Futian) Limited has not called for the issued shares to be paid up as at 31 December 2018. CMIG Ren Feng Medical (Futian) Limited has completed de-registration on 26 April 2019.

(9) 5,000 ordinary shares totalling S$900 (equivalent to HKD 5,000) were allotted and issued to CMIG Medical Services (Hong Kong) Limited at the date of incorporation on 30 August 2016. CMIG Ren Feng Medical (Nanshan) Limited has not called for the issued shares to be paid up as at 31 December 2018. CMIG Ren Feng Medical (Nanshan) Limited has completed de-registration on 26 April 2019.

(10) 51 ordinary shares totalling S$18 (equivalent to HKD 100) were allotted and issued to CMIG Medical Services (Hong Kong) Limited at the date of incorporation on 30 August 2016. CMIG GY Sales Limited has not called for the issued shares to be paid up as at 31 December 2018. GY Sales Limited has completed de-registration on 26 April 2019.

(11) Voluntary liquidation has been completed on 25 January 2019.

(12) CMIC Hemodialysis (Hong Kong) Limited is in the process of de-registration.

(13) Newly acquired on 15 April 2019 (Note 32(i)).

(14) Newly incorporated on 29 August 2019.

(15) De-registration has been completed on 22 November 2019.

(16) Newly acquired on 7 November 2019 (Note 32(ii)).

(17) Audited by SC Teh & Co, Chartered Accountants, Malaysia. Audited by Nexia TS for group consolidation purposes.

(18) Audited by SC Teh & Co, Chartered Accountants, Malaysia and Yoong Siew Wah & Co, Chartered Accountants, Malaysia for financial years ended 31 December 2019 and 2018 respectively. Audited by Nexia TS for group consolidation purposes.

(19) The Company remains dormant during the financial year ended 31 December 2019 and have not opted for audit exemption.

(20) JCG-Beverly Pte. Ltd ("JCGB") had entered into a trust deed dated 20 September 2019 (being date of incorporation of Beverly Medical Centre Sdn. Bhd) with Dato' Ng Tian Sang @ Ng Kek Chuan, Alexander Ng Zhonglie and Howard Ng How Er (collectively, the "BMC Trustees") in respect of 100 ordinary shares in the issued and paid-up share capital of Beverly Medical Centre Sdn. Bhd. ("BMC Trust Deed"). Pursuant to the BMC Trust Deed, the BMC Trustees declared a trust over the 100 ordinary shares, being the entire issued and paid-up share capital of Beverly Medical Centre, in favour of JCGB.

16. Investments in subsidiary corporations (cont'd)

Carrying value of non-controlling interests

	Group	
	2019	2018
	S$'000	S$'000
China iMyth Company Pte. Ltd.	(70)	62
iMyth Taiwan Limited	(316)	(241)
Beverly Wilshire Medical Centre Sdn Bhd	645	-
Beverly Wilshire Medical Centre (JB) Sdn Bhd	803	-
Beverly Wilshire Tropicana City Mall Sdn Bhd	146	-
Beverly Wilshire Aesthetic Dental Centre Sdn Bhd	(19)	-
Beverly Wilshire Medical Academy and Research Centre Sdn Bhd	81	-
Beverly Wilshire Hair Transplant Sdn Bhd	(6)	-
Beverly Wilshire Cosmetic Surgery Centre Sdn Bhd	(2)	-
Other subsidiary corporations with immaterial non-controlling interests	319	316
Total	1,581	137

Summarised financial information of subsidiary corporations with material non-controlling interests

Set out below are the summarised financial information of subsidiary corporations that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations and after being modified for fair value adjustments arising from business combination.

There were no transactions with non-controlling interests for the financial years ended 31 December 2019 and 2018.

16. Investments in subsidiary corporations (cont'd)

Summarised balance sheets

	Beverly Wilshire Medical Centre Sdn Bhd**	Beverly Wilshire Medical Centre (JB) Sdn Bhd**	Beverly Wilshire Tropicana City Mall Sdn Bhd**	Beverly Wilshire Aesthetic Dental Centre Sdn Bhd**	Beverly Wilshire Medical Academy and Research Centre Sdn Bhd**	Beverly Wilshire Hair Transplant Sdn Bhd**	Beverly Wilshire Cosmetic Surgery Centre Sdn Bhd**	China iMyth Company Pte. Ltd.		iMyth Taiwan Limited	
	2019	2019	2019	2019	2019	2019	2019	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Current											
Assets	1,461	422	236	103	72	3	-*	6	8	337	441
Liabilities	(2,458)	(856)	(160)	(347)	(143)	(16)	(4)	(150)	(135)	(993)	(959)
Total current net (liabilities)/assets	(997)	(434)	76	(244)	(71)	(13)	(4)	(144)	(127)	(656)	(518)
Non-current											
Assets	3,479	3,455	269	319	450	-	-	-	-	11	27
Liabilities	(1,166)	(1,383)	(48)	(114)	(117)	-	-	-	-	-	-
Total non-current assets/(liabilities)	2,313	2,072	221	205	333	-	-	-	-	11	27
Net assets/(liabilities)	1,316	1,638	297	(39)	262	(13)	(4)	(144)	(127)	(645)	(491)

16. Investments in subsidiary corporations (cont'd)

Summarised statement of comprehensive income

	Beverly Wilshire Medical Centre Sdn Bhd**	Beverly Wilshire Medical Centre (JB) Sdn Bhd**	Beverly Wilshire Tropicana City Mall Sdn Bhd**	Beverly Wilshire Aesthetic Dental Centre Sdn Bhd**	Beverly Wilshire Medical Academy and Research Centre Sdn Bhd**	Beverly Wilshire Hair Transplant Sdn Bhd**	Beverly Wilshire Cosmetic Surgery Centre Sdn Bhd**	China iMyth Company Pte. Ltd.		iMyth Taiwan Limited	
	2019	2019	2019	2019	2019	2019	2019	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue	623	560	88	53	11	-	-	-	-	243	327
(Loss)/profit before income tax	(223)	118	(14)	(26)	(25)	-*	-*	(17)	(34)	(154)	(323)
Income tax credit/(expense)	7	2	-*	2	-	-	-	-	-	-	(5)
Net (loss)/profit	(216)	120	(14)	(24)	(25)	-*	-*	(17)	(34)	(154)	(328)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(65)
Total comprehensive (loss)/income	(216)	120	(14)	(24)	(25)	-*	-*	(17)	(34)	(154)	(393)
Total comprehensive (loss)/income allocated to non-controlling interests	(106)	59	(7)	(12)	(8)	-*	-*	(8)	(16)	(75)	(193)

16. Investments in subsidiary corporations (cont'd)

Summarised cash flows

	Beverly Wilshire Medical Centre Sdn Bhd**	Beverly Wilshire Medical Centre (JB) Sdn Bhd**	Beverly Wilshire Tropicana City Mall Sdn Bhd**	Beverly Wilshire Aesthetic Dental Centre Sdn Bhd**	Beverly Wilshire Medical Academy and Research Centre Sdn Bhd**	Beverly Wilshire Hair Transplant Sdn Bhd**	Beverly Wilshire Cosmetic Surgery Centre Sdn Bhd**	China iMyth Company Pte. Ltd.		iMyth Taiwan Limited	
	2019	2019	2019	2019	2019	2019	2019	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Net cash provided/(used in) operating activities	39	7	(18)	(30)	(14)	-*	-	(1)	-*	(41)	41
Net cash used in investing activities	-	(28)	-	-	-	-	-	-	-	-	-
Net cash used in financing activities	(62)	(54)	(9)	(5)	(8)	-	-	-	-	-	-
Net decrease in cash and cash equivalents	(23)	(75)	(27)	(35)	(22)	-	-	(1)	-*	(41)	41
Beginning of financial year/ acquisition date	(837)#	115	49	42	24	3	-*	8	8	42	1
Effect of currency translation on cash and cash equivalent	-*	-*	-*	-	-*	-	-	-	-	-*	-*
End of financial year	(860)	40	22	7	2	3	-*	7	8	1	42

Included bank overdraft (Note 20)
* Less than S$1,000
** Newly acquired subsidiary corporation in current financial year

17. Property, plant and equipment

	Office equipment and fixtures S$'000	Renovation S$'000	Medical and laboratory equipment S$'000	Clinic equipment S$'000	Motor vehicle S$'000	Signboard and signage S$'000	Office and medical centre S$'000	Total S$'000
Group								
2019								
Cost								
Beginning of financial year	24	-	85	7	-	-	-	116
Currency translation differences	(3)	(5)	(5)	-*	-*	-*	(4)	(17)
Acquisition of subsidiary corporations (Note 32)	2,323	4,097	5,718	-	104	42	4,098	16,382
Adoption of SFRS(I) 16 (Note 2.1)	-	-	-	-	-	-	352	352
Additions	11	44	22	-	-	5	-	82
Write-off	(2)	-	-	-	-	-	-	(2)
End of financial year	2,353	4,136	5,820	7	104	47	4,446	16,913
Accumulated depreciation								
Beginning of financial year	20	-	59	6	-	-	-	85
Currency translation differences	(1)	(3)	(4)	-*	-*	-*	(2)	(10)
Acquisition of subsidiary corporations (Note 32)	1,376	2,777	4,008	-	94	27	1,434	9,716
Depreciation charge (Note 8)	35	34	78	1	2	3	190	343
Write-off	(2)	-	-	-	-	-	-	(2)
End of financial year	1,428	2,808	4,141	7	96	30	1,622	10,132
Net book value								
End of financial year	925	1,328	1,679	-	8	17	2,824	6,781

Notes to the Financial Statements
For the year ended 31 December 2019

17. Property, plant and equipment (cont'd)

	Office equipment and fixtures S$'000	Renovation S$'000	Medical and laboratory equipment S$'000	Clinic equipment S$'000	Total S$'000
Group					
2018					
Cost					
Beginning of financial year	135	-	85	7	227
Currency translation differences	-*	-	-*	-*	-*
Additions	-	8	-	-	8
Write-off	(111)	(8)	-	-	(119)
End of financial year	24	-	85	7	116
Accumulated depreciation					
Beginning of financial year	123	-	22	6	151
Currency translation differences	-*	-*	-*	-*	-*
Depreciation charge (Note 8)	8	3	37	-*	48
Write-off	(111)	(3)	-	-	(114)
End of financial year	20	-	59	6	85
Net book value					
End of financial year	4	-	26	1	31

* Less than S$1,000

17. Property, plant and equipment (cont'd)

	Office equipment and fixtures	Renovation	Signboard and signage	Office and medical centre	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Company					
2019					
Cost					
Beginning of financial year	9	-	-	-	9
Additions	5	28	5	-	38
Adoption of SFRS(I) 16 (Note 2.1)	-	-	-	352	352
End of financial year	14	28	5	352	399
Accumulated depreciation					
Beginning of financial year	5	-	-	-	5
Depreciation charge	6	6	3	63	78
End of financial year	11	6	3	63	83
Net book value					
End of financial year	3	22	2	289	316
2018					
Cost					
Beginning of financial year	23	-	-	-	23
Additions	-	8	-	-	8
Write-off	(14)	(8)	-	-	(22)
End of financial year	9	-	-	-	9
Accumulated depreciation					
Beginning of financial year	14	-	-	-	14
Depreciation charge	5	3	-	-	8
Write-off	(14)	(3)	-	-	(17)
End of financial year	5	-	-	-	5
Net book value					
End of financial year	4	-	-	-	4

The carrying amounts of motor vehicle held under finance leases is S$Nil (2018: S$11,000).

Finance lease liabilities of the group are effectively secured over the leased plant and equipment, as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 18(a) to the financial statements.

18. Leases - The Group as a lessee

Nature of the Group's leasing activities

Property

The Group leases office space for the purpose of office operations and rendering of medical services to customers respectively.

(a) Carrying amounts

Right-of-use of assets classified within property, plant and equipment

	31 December 2019 S$'000	1 January 2019* S$'000
Office and medical centre	2,824	-

* There is no right-of-use asset as at 1 January 2019 as the lease commitment was cancellable and short-term.

(b) Depreciation charge during the year

	2019 S$'000
Office and medical centre (Note17)	190

(c) Interest expense

	2019 S$'000
Interest expense on lease liabilities (Note 10)	39

(d) Total lease cash outflows for all the leases in 2019 was S$161,000.

(e) Addition of ROU assets during the financial year 2019 was S$ Nil.

19. Leases - The Group as a lessor

Nature of the Group's leasing activities – Group as an intermediate lessor

Subleases – classified as operating leases

The Group acts as an intermediate lessor under arrangement in which it subleases out office space to a non-related party for monthly lease payments. The sublease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as an operating lease.

Income from subleasing the office space recognised during the financial year 2019 was S$19,000 (2018: S$33,000).

19. Leases - The Group as a lessor (cont'd)

Nature of the Group's leasing activities – Group as an intermediate lessor (cont'd)

Subleases – classified as operating leases (cont'd)

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	Group	
	2019	2018
	S$'000	S$'000
Not later than one year	12	-

20. Intangible assets

	Group	
	2019	2018
	S$'000	S$'000
Composition:		
Goodwill arising on consolidation (Note 20(a))	4,289	-
Customer relationship (Note 20(b))	171	-
Trademark/brand (Note 20(c))	1,197	-
	5,657	-

(a) Goodwill arising on consolidation

	Group	
	2019	2018
	S$'000	S$'000
Cost		
Beginning financial year	17,997	17,997
Acquisition of subsidiary corporations (Note 32)	4,289	-
End of financial year	22,286	17,997
Accumulated impairment		
Beginning and end of financial year	17,997	17,997
Net book value	4,289	-

20. Intangible assets (cont'd)

(a) Goodwill arising on consolidation (cont'd)

Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUS") identified according to countries of operation and business segments.

A segment-level summary of the goodwill allocation is as follows:

	Cash-generating unit ("CGU")			
	Aesthetic		Event organisation and management consultancy services	
	Taiwan	Malaysia	Singapore	Total
	$'000	$'000	$'000	$'000
31 December 2019				
Cost	17,997	832	3,457	22,286
Impairment	(17,997)	-	-	(17,997)
Carrying value	-	832	3,457	4,289
31 December 2018				
Cost	17,997	-	-	17,997
Impairment	(17,997)	-	-	(17,997)
Carrying value	-	-	-	-

The recoverable amount of the CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the business in which the CGU operates.

Aesthetic medical and healthcare in Republic of China, Taiwan and People's Republic of China

During the financial year ended 31 December 2016, an impairment charge of S$10,805,000 was recognised as a result of the carrying amount of the goodwill exceeding the recoverable amount of the CGU which was affected by the economic and political conditions and more stringent regulatory frameworks in the locations of the CGU's operations.

During the financial year ended 31 December 2017, the management has reviewed the recoverable amount of the goodwill and has recognised allowance for impairment for its goodwill of S$7,192,000 in view of its Taiwan clinic had recorded a loss of S$307,000. Furthermore, management has decided not to proceed with their expansion plans by setting up clinics in Shenzhen as the progress of setting up the respective WFOE and the achievability of revenue and operational targets is either slower than expected or cannot be materialised as per their agreed plans. The management is of the opinion that all these qualitative factors had resulted in a zero recoverable amount for its goodwill.

The goodwill recognised on the balance sheet is attributable to the CGU in the Republic of China, Taiwan and the People's Republic of China. Based on the impairment assessment of the CGU, the estimated recoverable amount of the CGU is $Nil as at 31 December 2019 (2018: S$Nil).

20. Intangible assets (cont'd)

(a) *Goodwill arising on consolidation* (cont'd)

Impairment test for goodwill (cont'd)

Key assumptions used for value-in-use calculations:

	Aesthetic medical and healthcare Malaysia		Event organisation and management consultancy Singapore	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	%	%	%	%
Gross margin [(1)]	46.9	-	36.0	-
Growth rate [(2)]	8.0	-	9.0	-
Discount rate [(3)]	14.0	-	13.0	-

Management determined budgeted gross margin based on expectations of market developments. The weighted average growth rates used were consistent with forecasts based on current market and economic conditions and past performance. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

Aesthetic medical and healthcare in Malaysia

This CGU was newly acquired in the financial year ended 31 December 2019. Based on the impairment assessment of the CGU, the estimated recoverable amount of the CGU is S$2,975,000 as at 31 December 2019.

Event organisation and management consultancy in Singapore

This CGU was newly acquired in the financial year ended 31 December 2019. Based on the impairment assessment of the CGU, the estimated recoverable amount of the CGU is S$4,712,000 as at 31 December 2019.

(b) *Customer relationships*

	Group	
	2019 S$'000	2018 S$'000
Cost		
Beginning of financial year	155	155
Acquisition of subsidiary corporation (Note 32(i)(c))	224	-
End of financial year	379	155
Accumulated amortisation		
Beginning of financial year	155	155
Amortisation charge (Note 8)	53	-
End of financial year	208	155
Net book value	171	-

20. Intangible assets (cont'd)

(c) Trademark/brand

	Group	
	2019	**2018**
	S$'000	**S$'000**
Cost		
Beginning of financial year	-	-
Acquisition of subsidiary corporations (Note 32(ii)(c))	1,197	-
End of financial year	1,197	-
Accumulated amortisation and impairment		
Beginning of financial year	-	-
Amortisation charge (Note 8)	-*	-
End of financial year	-*	-
Net book value	1,197	-

* Less than S$1,000

21. Trade and other payables

	Group		Company	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Current				
Trade payables				
- Non-related parties	487	3	-	-
Other payables				
- Non-related parties	998	3,691	447	3,643
- Related parties	6	-	-	-
- Subsidiary corporations	-	-	-	467
Advances received	365	103	-	-
Accruals for operating expenses	911	257	453	135
	2,767	4,054	900	4,245
Non-current				
Contingent consideration payables (Note 32(ii)(e))	180	-	180	-
	2,947	4,054	1,080	4,245

21. Trade and other payables (cont'd)

Other payables due to related parties and subsidiary corporations are non-trade, unsecured, interest-free and repayable on demand.

Advances received mainly relates to amounts received in advance from customers aesthetic services to be delivered and performed. The Group recognises the related amounts to profit and loss as and when the performance obligation under the contract with customers are fulfilled.

As at 31 December 2018, other payable due to non-related parties include an amount of S$3,349,000 owing to the former shareholder of a subsidiary corporation. The initial repayment of this amount was due on 6 May 2016 and on 17 May 2016, the Group had entered into a second supplemental agreement to extend the repayment due date to 6 November 2016. Further on 15 November 2016, the Group had entered into a third supplemental agreement to extend the due date to 6 November 2019. The outstanding amount of S$3,500,000 which includes the unwinding of imputed interest amounted to S$151,000 (Note 10) has been converted into ordinary shares of the Company upon completion of the corporate exercises on 10 January 2019 (Note 25[(2)]).

22. Borrowings

	Group		Company	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
(a) Lease liabilities (office and medical centre)				
Current	793	-	124	-
Non-current	2,251	-	188	-
	3,044	-	312	-
(b) Borrowings				
Current				
Borrowings				
- Loan 1	-	3,493	-	-
- Loan 2	82	-	-	-
- Loan 3	-	-	450	-
Bank overdraft (Note 13)	901	-	-	-
Finance lease liabilities (Note 23)	37	-	-	-
	1,020	3,493	450	-
Non-current				
Borrowings				
- Loan 2	103	-	-	-
	103	-	-	-
Total borrowings	4,167	3,493	762	-

22. Borrowings (cont'd)

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 a non-related party bears an interest rate at 16% (2018: 14% - 16%) per annum. The initial due date for repayment was 28 March 2017 and this has been extended to the following dates, i.e. 27 June 2017, 27 December 2017, 27 June 2018, 27 December 2018, and 28 January 2019 respectively.

(a) Security granted

Loan 1 is secured by a corporate guarantee granted by the Company and a personal guarantee of the Company's shareholder, Dato Dr Choo Yeow Ming ("Dato Dr Choo").

(b) Loan covenants

Loan 1 shall become due and payable immediately in full upon the occurrence of the following events (in the event of a default):

- Default on payment by the subsidiary corporation or guarantor when the payment fall due;
- Insolvency of the subsidiary corporation or the Company;
- Material adverse financial condition or business of the subsidiary corporation;
- Change in control of the subsidiary corporation; and
- Event of litigation, arbitration or administrative proceeding materially and adversely restrain the performance of the compliance by the subsidiary corporation to the loan agreement.

(c) Loan 1 has been fully settled in January 2019 through a S$4,000,000 proceeds raised from share placement of 2,587,142,857 consolidated shares of the Company at an issue price of S$0.0014 per share (Note 25[(3)]) as announced on 26 August 2018 and approved by shareholders on 31 December 2018. The guarantees have also been released and discharged upon the settlement of the loan.

(ii) Loan 2 is a SME working capital loan which bears a floating interest rate of 1.75% per annum below bank prevailing business instalment loan board rate per annum.

(ii) Loan 3 from subsidiary corporations is unsecured, interest-free and is due for repayable on demand.

(iv) 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. The weighted-average effective interest rate of the bank overdraft is 6.57% per annum.

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
12 months or less	1,813	3,493	574	-
1- 5 years	2,354	-	188	-
	4,167	3,493	762	-

22. Borrowings (cont'd)

Fair value of non-current borrowings

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Borrowings	103	-	-	-

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Borrowings	6.91%-7.25%	-	7.25%	-

The carrying amount of the non-current borrowings carried at amortised cost approximate their fair values. The fair values are within Level 2 of the fair value hierarchy.

23. Finance lease liabilities

	Group	
	2019	2018
	S$'000	S$'000
Minimum lease payments due		
- Not later than one year	38	-
Less: future finance charges	(1)	-
Present value of finance lease liabilities	37	-

The present values of finance lease liabilities are analysed as follows:

	Group	
	2019	2018
	S$'000	S$'000
Not later than one year	37	-

The Group lease a motor vehicle from non-related party under finance leases. Implicit interest rates of the finance lease of 7.21% (2018: Nil) per annum are fixed at the date of the agreements, and the amount of lease payments are fixed throughout the lease period. The Group has the options to purchase the assets at the end of the arrangements with minimum purchase considerations. There are no significant restriction clauses imposed on the finance lease arrangements.

24. Deferred income tax liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
	2019	2018
	S$'000	S$'000
Deferred income tax liabilities		
- To be settled after one year	688	-
Deferred income tax liabilities, representing fair value gain on customer relationships and property, plant and equipment		
Beginning of financial year	-	-
Acquisition of subsidiary corporations (Note 32(i)(c) and 32(ii)(c))	708	
Charged to profit or loss (Note 11)	(20)	-
End of financial year	688	-

The Group has unrecognised tax losses of S$2,959,000 (2018: S$ Nil) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation.

25. Share capital

	2019		2018	
	No. of ordinary shares	Amount	No. of ordinary shares	Amount
	'000	S$'000	'000	S$'000
Group and Company				
Beginning of financial year	8,812,779	53,871	8,800,573	53,645
Share consolidation[1]	(4,406,390)	-	-	-
Shares issued pursuant to: -				
i. Share placement	6,533,136	8,355	-	-
- deferred liability conversion[2]	3,214,286	3,500	-	-
- share subscription[3]	2,857,143	4,000	-	-
- introducer shares[4]	142,857	286	-	-
- introducer shares[7]	68,850	69	-	-
- share subscription[8]	250,000	500	-	-
ii. JCG share performance plan[9]	284,444	284	-	-
iii. Acquisition of subsidiary corporations[5][6]	4,156,111	6,671	-	-
Conversion of warrants[11]	3,802	13	12,206	75
Warrants adjustments[12]	-	(1,734)	-	-
Expiry of warrants[10]	-	-	-	151
End of financial year	15,383,882	67,460	8,812,779	53,871

25. Share capital

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

(1) During the financial year ended 31 December 2019, the Company had completed consolidation of every 2 existing ordinary shares in the capital of the Company into 1 consolidated share ("Share Consolidation") on 10 January 2019.

(2) During the financial year ended 31 December 2019, the Company had completed allotment and issuance of up to 3,214,285,714 consolidated shares pursuant to the conversion of the deferred payment liability of S$3.5 million ("Deferred Liability Conversion") on 10 January 2019 (Note 21).

(3) During the financial year ended 31 December 2019, the Company had completed placement of 2,857,142,857 consolidated shares in the capital of the company at an issue price of S$0.0014 for each share ("Share Subscription") (Note 22(i)(c)), with up to 952,380,952 investment warrants after share consolidation, each carrying the right to subscribe for 1 consolidated share in the capital of the company at an exercise price of S$0.0014 for each new consolidated share ("Share Subscription") on 10 January 2019.

(4) During the financial year ended 31 December 2019, the Company had completed allotment and issuance of 142,857,143 introducer shares at an issue price of S$0.002 to the introducer on 10 January 2019.

(5) During the financial year ended 31 December 2019, the Company had completed allotment and issuance of 1,861,111,111 ordinary shares of the Company were issued at the issue price of S$0.0018 per share and 310,185,185 warrants, each convertible into one ordinary share at an exercise price of S$0.0018, with fair value of S$4,244,000 based on the provisional Purchase Price Allocation ("PPA") report for the 100% acquisition of Brand X Lab Pte Ltd on 15 April 2019 (Note 32(i)(a)).

(6) During the financial year ended 31 December 2019, the Company had completed allotment and issuance 2,295,000,000 ordinary shares of the Company were issued to the vendors at the issue price of S$0.002 per share and 162,000,000 warrants, each convertible into one ordinary share at an exercise price of S$0.002, with fair value of S$2,427,000 based on the provisional Purchase Price Allocation ("PPA") report for the 51% acquisition of Beverly Wilshire Medical Centre Group on 7 November 2019 (Note 32(ii)(a)).

(7) During the financial year ended 31 December 2019, the Company had completed allotment and issuance 68,850,000 introducer shares were issued at the issue price of S$0.002 per share.

(8) During the financial year ended 31 December 2019, the Company had completed allotment and issuance of 250,000,000 ordinary shares at an issue price of S$0.002 and 250,000,000 investment warrants, each convertible into one ordinary share at an exercise price of S$0.0018 on 18 July 2019.

(9) During the financial year ended 31 December 2019, the Company had completed allotment and issuance of 284,444,445 new ordinary shares under the JCG Share Performance Plan on 27 September 2019.

(10) During the financial year ended 31 December 2018, 146,488,943 unexercised non-transferrable warrants with an exercise price of S$0.0050 per warrant had expired on 29 March 2018. Accordingly, the warrant reserves were transferred to share capital upon the expiry and termination of the warrants (Note 26(b)(iii)).

(11) Pursuant to the share consolidation per the announcement made on 10 January 2019, the number of 2017 warrants were adjusted from 5,601,440,000 to 2,800,720,000 and the exercise price was adjusted from S$0.001 per warrant to S$0.002 per warrant.

During the financial year ended 31 December 2019, 3,801,500 warrants (2018: 12,205,622 warrants) with an exercise price of S$0.002 per warrant (2018: S$0.005 per warrant) were issued for a total consideration of S$8,000 (2018: S$61,000). Accordingly, an amount of S$5,000 (2018: S$14,000) attributable to the fair value of the warrants exercised was transferred from warrants reserve to share capital (Note 26(b)(iii)).

There were no warrants issued during the financial year ended 31 December 2018.

The number of 2017 warrants outstanding as at 31 December 2019 amounted to 2,796,918,500 (2018: 5,601,440,000) which will expire on 29 October 2020 and can be converted into ordinary shares of the Company at the conversion rate of S$0.002 (2018: S$0.001) for each warrant.

25. Share capital (cont'd)

[12] During the financial year ended 31 December 2019

- 952,380,952 unexercised non-transferrable warrants with an exercise price of S$0.0014 per warrant were issued, an amount of S$667,000 attributable to the fair value of the warrants was transferred from shares capital to warrants reserve.
- 250,000,000 unexercised non-transferrable warrants with an exercise price of S$0.0018 per warrant were issued, an amount of S$413,000 attributable to the fair value of the warrants was transferred from shares capital to warrants reserve.
- 310,185,185 unexercised non-transferrable warrants with an exercise price of S$0.0018 per warrants for the 100% acquisition of Brand X Lab Pte Ltd on 15 April 2019 were issued, an amount of S$522,000 attributable to the fair value of the warrants was transferred from shares capital to warrants reserve (Note 32(i)(a)).
- 162,000,000 unexercised non-transferrable warrants with an exercise price of S$0.002 per warrants for the acquisition of Beverly Wilshire Medical Centre Group on 7 November 2019 were issued, an amount of S$132,000 attributable to the fair value of the warrants was transferred from shares capital to warrants reserve (Note 32(ii)(a)).

The newly issued shares rank pari passu in all respects with the previously issued shares.

(a) Share options

Albedo Limited Employee Share Option Scheme (the "ESOS")

The Albedo's Employee Share Options Scheme ("ESOS"), approved on 24 February 2006 and 5 May 2010, is administered by a committee ("Committee"). The ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the ESOS is adopted by Shareholders in the General Meeting. Subject to compliance with applicable laws and regulations in Singapore, the ESOS may be continued beyond the stipulated period with the approval of the Shareholders and relevant authorities. The members of the Committee are:

Yap Siean Lin (Chairman)
Dato' Ng Tian Sang @ Ng Kek Chuan
Dr Lam Lee G

The ESOS provides an opportunity for selected Directors and/or Participants of the Group who have contributed significantly to the growth and performance of the Group (including non-executive Directors), who satisfy the eligibility criteria as set out in the rules of the ESOS, to participate in the equity of the Company and can be summarised as follows:

- Subject to the rules of the ESOS, the aggregate number of shares in respect of which options may be offered to selected Director and/or Participants for subscription in accordance with the ESOS shall be determined at the discretion of the Committee which shall take into account (where applicable) criteria such as the rank and responsibilities within the Group, performance, years of service and potential for future development and the performance of the Group (provided always that the total number of shares in respect of which options may be granted to any one Grantee shall not exceed 10% of the total number of shares available under the ESOS.

- The Committee shall monitor the grant of options carefully to ensure that the number of the shares which may be issued pursuant to the options will comply with the relevant Catalist Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

- The aggregate number of shares over which the Committee may grant options on any date, when added to the total number of shares issued and issuable in respect of all options granted under the ESOS, shall not exceed 10% of the total issued shares of the Company on the day preceding that offer date of the options.

25. Share capital (cont'd)

(a) Share options (cont'd)

Albedo Limited Employee Share Option Scheme (the "ESOS") (cont'd)

- Under the ESOS, options granted to the Directors and Participants may, except in certain special circumstances, be exercised at any time after the first anniversary but not later than the tenth anniversary from the date of grant. The ordinary shares of the Company ("Shares") under options may be exercised in full or in respect of 1,000 Shares or a multiple thereof, on the payment of the exercise price. The exercise price is based on the average of last dealt prices of the Shares on the SGX-ST for the three market days immediately preceding the date of grant rounded to the nearest whole cent. The Committee may at its discretion fix the exercise price at a discount not exceeding 20% to the above price. No options have been granted at a discount.

Details of the options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2018 are as follows:

Date of grant	Balance as at 1.1.2018	Options granted/ adjustment	Options cancelled or lapsed	Balance as at 31.12.2018	Exercise price per share option	Exercisable period
20.6.2008	504,000	-	(504,000)	-	S$0.010	20.6.2009-19.6.2018
2.10.2014	157,230,000	-	(757,000)	156,473,000	S$0.010	2.10.2014-1.10.2024
	157,734,000	-	(1,261,000)	156,473,000		

Details of the options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2019 are as follows:

Date of grant	Balance as at 1.1.2019	Options cancelled or lapsed from 1.1.2019 to 10.1.2019	Options granted/ adjustment	Options cancelled or lapsed from 11.1.2019 to 31.12.2019	Balance as at 31.12.2019	Exercise price per share option	Exercisable period
2.10.2014	156,473,000	(2,523,000)	(76,975,000)	(38,487,500)	38,487,500	S$0.020	2.10.2014-1.10.2024
	156,473,000	(2,523,000)	(76,975,000)	(38,487,500)	38,487,500		

On 10 January 2019, the Company made an announcement on the SGX-ST relating to the completion of the Propose Corporate Exercises previously announced on 26 August 2018, 17 December 2018 and 31 December 2018. The Company had completed the Proposed Share Consolidation exercise of every two (2) Share Options held by the Participants of the Company at the Book Closure Date on 10 January 2019, into one (1) Consolidated Share Option. Accordingly, the exercise prices of the share options are adjusted to S$0.020 from S$0.010. There are an aggregate of 76,975,000 share options after share consolidation.

25. Share capital (cont'd)

(a) Share options (cont'd)

Albedo Limited Employee Share Option Scheme (the "ESOS") (cont'd)

Details of the options to subscribe for ordinary shares of the Company granted to directors and Participants of the Company pursuant to the ESOS were as follows:

2019	Aggregate options granted since commencement of ESOS to 31.12.2019	Aggregate options exercised since commencement of ESOS to 31.12.2019	Aggregate share consolidation adjustment since commencement of ESOS to 31.12.2019	Aggregate options adjustment since commencement of ESOS to 31.12.2019	Aggregate options cancelled, lapsed or transferred since commencement of ESOS to 31.12.2019	Aggregate options outstanding as at 31.12.2019
Non-executive directors	30,000,000	-	(37,857,000)	45,714,000	(37,857,000)	-
Executive director[1]	31,500,000	(1,500,000)	-	45,714,000	(75,714,000)	-
Directors (ceased office)	42,750,000	(600,000)	-	63,159,000	(105,309,000)	-
Employees	81,814,000	-	(39,118,000)	3,806,000	(8,014,500)	38,487,500
	186,064,000	(2,100,000)	(76,975,000)	158,393,000	(226,894,500)	38,487,500

2018	Aggregate options granted since commencement of ESOS to 31.12.2018	Aggregate options exercised since commencement of ESOS to 31.12.2018	Aggregate options adjustment since commencement of ESOS to 31.12.2018	Aggregate options cancelled, lapsed or transferred since commencement of ESOS to 31.12.2018	Aggregate options outstanding as at 31.12.2018
Non-executive directors	30,000,000	-	45,714,000	-	75,714,000
Executive director[1]	31,500,000	(1,500,000)	45,714,000	(75,714,000)	-
Directors (ceased office)	42,750,000	(600,000)	63,159,000	(105,309,000)	-
Employees	81,814,000	-	3,806,000	(4,861,000)	80,759,000
	186,064,000	(2,100,000)	158,393,000	(185,884,000)	156,473,000

(1) The executive director ceased to be a Director of the Company upon his demise on 6 March 2018. Accordingly, the share options held by Tai Kok Chuan has been transferred to his spouse, Yap Mee Lee, a director and employee of one of the Company's subsidiary corporations. She subsequently resigned as a director on 16 July 2018.

25. Share capital (cont'd)

(a) Share options (cont'd)

Albedo Limited Employee Share Option Scheme (the "ESOS") (cont'd)

Since the commencement of the ESOS till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company or their associates (as defined in the Listing Manual of SGX-ST);
- No participants other than the directors of the Company have received 5% or more of the total options available under the Scheme;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount.

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

25. Share capital (cont'd)

(a) Share options (cont'd)

Albedo Limited Employee Share Option Scheme (the "ESOS") (cont'd)

The fair values of the share options granted were calculated using the Binomial Model. The inputs into the model were as follows:

Before the 2014 Adjustments

	Option 1	Option 2	Option 3	Option 4
Grant date	9.4.2007	2.5.2008	20.6.2008	2.10.2014
Share price at grant date	10 cents	13 cents	14 cents	1.3 cents
Exercise price	10 cents	13 cents	14 cents	1.3 cents
Expected volatility	42%	39.48%	48.78%	56.74%
Expected life (years)	10 years	10 years	10 years	1 year
Risk free rate	4%	3.4%	3.4%	1.67%
Expected dividend yield	9.3%	0%	0%	0%

After the 2014 Adjustments

	Option 1	Option 2	Option 3	Option 4
Grant date	9.4.2007	2.5.2008	20.6.2008	2.10.2014
Share price at valuation date	1.8 cents	1.8 cents	1.8 cents	1.3 cents
Exercise price	1.0 cents	1.3 cents	1.5 cents	1.3 cents
Expected volatility	33.18%	33.18%	33.18%	56.74%
Expected life (years)	2.8 years	3.8 years	4.0 years	5.5 years
Risk free rate	0.56%	0.80%	0.85%	1.67%
Expected dividend yield	0%	0%	0%	0%
Fair value of share options (cents)	0.87	0.71	0.62	0.67

After the 2017 Adjustments

	Option 1	Option 2	Option 3	Option 4
Grant date	-	2.5.2008	20.6.2008	2.10.2014
Share price at valuation date	-	0.2 cents	0.2 cents	0.2 cents
Exercise price	-	1.0 cents	1.0 cents	1.0 cents
Expected volatility	-	221.0%	206.0%	145.0%
Expected life (years)	-	0.52 years	0.65 years	6.94 years
Risk free rate	-	0.20%	0.20%	1.86%
Expected dividend yield	-	0%	0%	0%
Fair value of share options (cents)	-	0.048	0.053	0.178

After the 2019 Adjustments

	Option 1	Option 2	Option 3	Option 4
Grant date	-	-	-	2.10.2014
Share price at valuation date	-	-	-	0.1 cents
Exercise price	-	-	-	2.0 cents
Expected volatility	-	-	-	132.0%
Expected life (years)	-	-	-	5.73 years
Risk free rate	-	-	-	2.02%
Expected dividend yield	-	-	-	0%
Fair value of share options (cents)	-	-	-	0.06

Expected volatility was determined by calculating the historical volatility of the Company's share price. The expected life used in the model is based on historical data and is not necessary indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

25. Share capital (cont'd)

(b) Share performance plan

Albedo Share Performance Plan ("Albedo SPP")

The Albedo SPP is intended to incentivise selected Directors and/or Participants of the Group to excel in their performance and encourage greater dedication and loyalty to the Company. Through the Albedo SPP, the Company aims to recognise and reward past contributions and services and motivate the selected Directors and/or employees (the "Participants") to continue to strive for the Group's long-term prosperity and can be summarised as follows:

- The Albedo SPP uses methods fairly common among successful multinational companies to incentivise and motivate Participants to achieve pre-determined targets which create and enhance economic values for shareholders. Unlike the ESOS, the award of fully-paid shares, free of charge, to the Participants is intended to be a more attractive form of bonus by the Company to the Participants as it gives them a stake in the ownership of the Company whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with other multinational companies. The Albedo SPP is intended to complement the ESOS and serve as an additional and flexible incentive tool.

- The awards granted under the Albedo SPP will be determined at the discretion of the Remuneration Committee (comprising of Yap Siean Sin, Dato' Ng Tian Sang @ Ng Kek Chuan and Dr Lam Lee G) which shall take into account (where applicable) criteria such as the rank and responsibilities within the Group, performance, years of service and potential for future development of the selected Participant.

- The total number of shares which may be granted under the Albedo SPP when added to the number of shares issued and issuable under all awards granted thereunder and all the options under the ESOS shall not exceed 15% of the issued ordinary shares of the Company on the day preceding the relevant date of award.

- The total number of new shares over which the Remuneration Committee may grant awards on any date pursuant to the proposed Albedo SPP, when added to the number of new shares issued and issuable in respect of all awards granted under the Albedo SPP, available to (a) all controlling shareholders and their associates must not exceed 25% of the shares available under the Albedo SPP and (b) each controlling shareholder and his associates must not exceed 10% of the shares available under the Albedo SPP.

- The Albedo SPP expired on 27 April 2019. There has been no grant of any awards under the Albedo SPP since its implementation by the Company till the expiry date.

25. Share capital (cont'd)

(b) Share performance plan

JCG Share Performance Plan ("JCG SPP")

The JCG Share Performance Plan is intended to incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the JCG Share Performance Plan, the Company hopes to be able to recognise and reward contributions and services of Participants and motivate Participants to continue to strive for the Group's long-term prosperity. By giving Participants the opportunity to participate in the equity of the Company as opposed to providing solely cash bonus payments for their performance, the JCG Share Performance Plan aims to foster an ownership culture within the Group.

The JCG Share Performance Plan uses methods fairly common among successful multinational companies to incentivise and motivate Participants to achieve pre-determined targets which create and enhance economic value for Shareholders. Unlike the Albedo ESOS, the award of fully-paid Shares, free of charge, to the Participants is intended to be a more attractive form of bonus from the Company to the Participants. In addition, the Company believes that the JCG Share Performance Plan will be more effective than cash bonuses in motivating Participants as it gives them a stake in the ownership of the Company whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with other multinational companies.

The JCG Share Performance Plan is intended to complement the Albedo ESOS and serve as an additional and flexible incentive tool. With the JCG Share Performance Plan, the Company would be able to tailor share-based incentives according to the objectives to be achieved by combining Awards under the JCG Share Performance Plan with the grant of Options under the Albedo ESOS.

The JCG Share Performance Plan is intended also to reward other Participants (such as the Non-Executive Directors) who have contributed to the success and development of the Group.

The Awards granted under this JCG Share Performance Plan will be determined at the discretion of the Committee which shall take into account (where applicable) criteria such as the rank and responsibilities within the Group, performance, years of service and potential for future development of the selected Participant. The JCG Share Performance Plan awards fully paid shares to the Participants.

The Award may be granted by the Committee at any time during the period when the JCG Share Performance Plan is in force. As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award, among others, the Award Date, the Performance Period, the number of Shares which are the subject of the Award, the Performance Condition and the Release Schedule.

Any Award made but prior to the vesting shall lapse when, inter alia, the Participant ceases to be in the employment of the Company, ceases to be an Executive Director or a Non-Executive Director of the Company or a Controlling Shareholder or its Associate, or is guilty of misconduct. Other circumstances whereby Awards made would lapse include the bankruptcy of the Participant, the passing of a resolution for the winding up of the Company on the basis, or by reason, of the Company's insolvency.

25. Share capital (cont'd)

(b) Share performance plan (cont'd)

JCG Share Performance Plan ("JCG SPP") (cont'd)

The total number of Shares which may be granted under the JCG Share Performance Plan when added to the number of Shares issued and issuable under:

a) all Awards granted thereunder;
b) all the Options under the Albedo ESOS; and
c) any other share scheme which the Company may implement from time to time,

shall not exceed 15% of the issued ordinary shares of the Company (excluding treasury shares) on the day preceding the relevant date of award. In the event the Company establishes any other share plans, the aggregate of shares under all such share plans and all Options granted under the Albedo ESOS will not exceed 15% of the issued ordinary shares of the Company excluding treasury shares from time to time.

In addition, the total amount of new Shares over which the Remuneration Committee may grant awards on any date pursuant to the proposed JCG Share Performance Plan, when added to the amount of new shares issued and issuable in respect of all awards granted under the proposed JCG Share Performance Plan, available to:

a) all controlling shareholders and their associates must not exceed 25% of the total number of shares available under the proposed JCG Share Performance Plan; and
b) each controlling shareholder or his associate must not exceed 10% of the total number of shares available under the proposed JCG Share Performance Plan.

The JCG Share Performance Plan will continue in force at the discretion of the Remuneration Committee to a maximum of ten (10) years commencing from 30 April 2019. Subject to compliance with any applicable laws and regulations in Singapore, the proposed JCG Share Performance Plan may continue beyond the stipulated period with the approval of Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

During the financial year 31 December 2019, the Company has granted an aggregate of 284,444,445 shares under the share awards ("Share Awards") pursuant to the JCG Share Performance Plan, of which 138,888,889 shares under the Share Awards were granted to Ang Kok Huan, a Director of the Company. Pursuant to the vesting of the Share Awards on 27 September 2019, the Company allotted and issued 284,444,445 new shares on 27 September 2019.

(c) Call and Put option

On 16 May 2019, the Company entered into a Subscription Agreement (the "Agreement") with Dato' Ng Tian Sang @ Ng Kek Chuan (the "Subscriber") where the Company propose to grant the Subscriber the right for the Company to issue to the Subscriber, all (and not only some) of the 250,000,000 Put and Call Option Shares with 250,000,000 Put and Call Option Warrants for an aggregate consideration of S$500,000 at an issue price of S$0.002, on the same terms and subject to the same conditions set out in the Agreement (the "Call Option").

The Subscriber also proposed to the Company the right to grant the Subscriber to subscribe from the Company, all (and not only some) of 250,000,000 Put and Call Option Shares with 250,000,000 Put and Call Option Warrants for an aggregate consideration of S$500,000 at an issue price of S$0.002, on the same terms and subject to the same conditions set out in the Agreement (the "Put Option"). Based on management's assessment, there are is no material impact arising from the call and put option during the financial year ended 31 December 2019.

26. Other reserves

	Group 2019 S$'000	Group 2018 S$'000	Company 2019 S$'000	Company 2018 S$'000
(a) Composition:				
Share option reserve	25	278	25	278
Currency translation reserve	(16)	(10)	-	-
Warrant reserve	5,236	3,507	5,236	3,507
	5,245	3,775	5,261	3,785
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	278	280	278	280
Share option lapsed	(253)	(2)	(253)	(2)
End of financial year	25	278	25	278
(ii) Currency translation reserve				
Beginning of financial year	(10)	149	-	-
Net currency translation of financial statements of foreign subsidiary corporations	(8)	(161)	-	-
Less: Non-controlling interests	2	2	-	-
	(6)	(159)	-	-
End of financial year	(16)	(10)	-	-
(iii) Warrants reserve				
Beginning of financial year	3,507	3,672	3,507	3,672
Warrants adjustment (Note 25[12])	1,734	-	1,734	-
Expiry of warrants (Note 25[10])	-	(151)	-	(151)
Conversion of warrants (Note 25[11])	(5)	(14)	(5)	(14)
End of financial year	5,236	3,507	5,236	3,507

The share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

The warrant reserve represents the fair value of the remaining unexercised warrants.

Other reserves are non-distributable.

27. Accumulated losses

Movement in accumulated losses for the Company is as follows:

	Company	
	2019	2018
	S$'000	S$'000
Beginning of financial year	(61,152)	(58,679)
Net loss for the financial year	(5,742)	(2,473)
Share option lapsed (Note 26 (b)(i))	253	-
End of financial year	(66,641)	(61,152)

28. Commitments and contingent liabilities

(a) *Operating lease commitments – where the Group and Company is a lessee*

The Group and the Company lease office spaces from non-related parties and clinic spaces from a related party under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

As at 31 December 2018, the future minimum lease payables under the non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group	Company
	S$'000	S$'000
Not later than one year	-*	-

* Less than S$1,000

As disclosed in Note 2.1, the Group has adopted SFSR(I) 16 on 1 January 2019. These lease payments have been recognised as ROU assets within Property, plant and equipment and lease liabilities on the balance sheet as at 31 December 2019, except for short-term and low value leases.

(b) *Operating lease commitments – where the Group is a lessor*

The Group and the Company leases office space under operating lease to a non-related party under non-cancellable operating lease agreement. The lease has varying terms, escalation clauses and renewal rights.

The future minimum lease receivables under the non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follow:

	Group and Company	
	2019	2018
	S$'000	S$'000
Not later than one year	12	-

28. Commitments and contingent liabilities (cont'd)

(c) Contingent liabilities

During the financial year ended 31 December 2019, the Company had issued corporate guarantee to a non-related party who provided a borrowing amounting to S$Nil (2018: S$3,500,000) to its subsidiary corporation. The borrowing is originally due for repayment on 28 March 2017 and have been extended to the following dates during the financial year ended 31 December 2018 i.e. 27 June 2018, 27 December 2018 and 28 January 2019 respectively.

The borrowing has been fully settled in January 2019 through a S$4,000,000 proceeds raised from share placement of 2,587,142,857 consolidated shares of the Company at an issue price of S$0.0014 (Note 25[(3)]) as announced on 26 August 2018 and approved by shareholders on 31 December 2018.

The guarantees have also been released and discharged upon the settlement of the borrowing (Note 22(i)). Hence, management is of the opinion that no evaluation of the fair value of the corporate guarantee and the consequential liabilities is required for the financial year ended 31 December 2019 (2018: Evaluation of the fair value of the corporate guarantee and consequential liabilities is minimal).

Additionally, the Company had not issued any corporate guarantee to bank for banking facilities for any of its subsidiary corporations for the financial years ended 31 December 2019 and 2018 respectively.

29. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

Financial risk management is carried out by the finance department in accordance with the policies set. The finance personnel identify and evaluates financial risks in close co-operation with the Group's operating units. The finance personnel measures actual exposures against the limits set and prepares periodic reports for review by the Chief Financial Officer. Regular reports are also submitted to the Board of Directors.

(a) Market risk

(i) Currency risk

The Group operates in Asia with dominant operations in Singapore, Malaysia and the Republic of China, Taiwan. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the United States Dollar ("USD"), Malaysian Dollar ("MYR"), Euro ("EUR") and New Taiwanese Dollar ("NTD") and Hong Kong Dollar ("HKD").

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations are monitored throughout the financial year to ensure the impacts to the Group's financial statements are not significant.

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD S$'000	MYR S$'000	NTD S$'000	USD S$'000	Total S$'000
31 December 2019					
Financial assets					
Cash and cash equivalents	1,241	112	1	-	1,354
Trade and other receivables	266	835	336	420	1,857
Intra-group receivables	514	1,002	821	-	2,337
	2,021	1,949	1,158	420	5,548
31 December 2019					
Financial liabilities					
Trade and other payables	(1,235)	(1,265)	(82)	-	(2,582)
Borrowings	(545)	(3,622)	-	-	(4,167)
Intra-group payables	(514)	(1,002)	(821)	-	(2,337)
	(2,294)	(5,889)	(903)	-	(9,086)
Net financial (liabilities)/assets	(273)	(3,940)	255	420	(3,538)
Currency exposure of financial (liabilities)/ assets net of those denominated in the respective entities' functional currencies	-	-	-	420	420

	SGD S$'000	EUR S$'000	NTD S$'000	HKD S$'000	Others S$'000	Total S$'000
31 December 2018						
Financial assets						
Cash and cash equivalents	1,567	4	42	-	-	1,613
Trade and other receivables	188	-*	399	-*	18	605
Intra-group receivables	465	-	-	-	-	465
	2,220	4	441	-	18	2,683
31 December 2018						
Financial liabilities						
Trade and other payables	(3,842)	-	(36)	(27)	(46)	(3,951)
Borrowings	-	-	-	(3,493)	-	(3,493)
Intra-group payables	(465)	-	-	-	-	(465)
	(4,307)	-	(36)	(3,520)	(46)	(7,909)
Net financial (liabilities)/assets	(2,087)	4	405	(3,520)	(28)	(5,226)
Currency exposure of financial (liabilities)/assets net of those denominated in the respective entities' functional currencies	-	4	-	-	(28)	(24)

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Group's currency exposure based on the information provided to key management is as follows: (cont'd)

If the foreign currencies change against the SGD by 5% (2018: 5%) with all other variables including tax rate being held constant, the effect arising from the net financial assets/ liabilities position on the Group's loss after tax are not significant, except for USD which a strengthening/ weakening that will result in a decrease/increase of S$17,000 (2018: S$Nil).

The Company is not exposed to significant currency risk since majority of its financial assets and liabilities as at the financial years ended 31 December 2019 and 2018 are denominated in Singapore Dollar.

(ii) Price risk

The Group and the Company do not have exposure to equity price risk as it does not hold equity financial assets.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group and the Company has cash balances placed with reputable banks and financial institutions which generate interest income for the Group and the Company whereby changes in interest rate exposure is not significant. The Group and the Company manages its interest rate risk by placing such balances on varying maturities and interest rate terms.

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

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history to mitigate credit risk. For advances and/or loans, the Group adopts the policy of dealing only with business partners who are creditworthy and have presented appropriate business proposals.

The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the management.

29. Financial risk management (cont'd)

(b) Credit risk (cont'd)

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company	
	2019	**2018**
	S$'000	**S$'000**
Corporate guarantee provided to non-related party on subsidiary corporation's borrowing	-	3,493

As at balance sheet date, there are no banking facilities utilised by the subsidiary corporation to which the Company had provided a corporate guarantee.

(i) Trade receivables

The trade receivables of the Group comprise 1 debtor (2018: two debtors) that individually represented 69% (2018: 25% to 43%) of trade receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	2019	**2018**
	S$'000	**S$'000**
By geographical areas		
Singapore	608	67
Malaysia	136	77
	744	144
By type of customers		
Non-related parties		
- Other companies	734	144
Related parties	10	-

The Group and the Company uses a provision matrix to measure the lifetime expected credit loss allowance ("ECL") for trade receivables from customers.

The ECL computed is purely derived from historical data which management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

The Group uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These four categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

29. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(i) Trade receivables (cont'd)

Category of internal credit rating	Definition of category	Basis of recognition of expected credit losses
Performing	Borrower or issuer have a low risk of default and a strong capability to meet contractual cash flows	12-month expected credit losses
Under-performing	Borrower or issuer for which there is a significant increase in credit risk; as significant in credit risk is presumed if interest and/or principal repayment are 90 days past due	Lifetime expected credit losses
Non-performing	Interest and/or principal payment are 180 days past due	Lifetime expected credit losses
Write-off	Interest and/or principal repayments are 365 days past due and have no reasonable expectation of recovery.	Asset is written off

The Group and the Company has applied the general approach for other receivables.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a receivable for write off when a debtor fails to make contractual payment greater than 90 days past due based on historical loss rates for each category of customers and adjust to reflect current and forward-looking information. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

As at 31 December 2019 and 2018 respectively, there are no credit risk exposures in relation to the Group's and the Company's trade and other receivables. Management has assessed the application of the expected credit loss model and no loss allowances are recognised for these financial assets.

29. Financial risk management (cont'd)

(b) *Credit risk* (cont'd)

(i) *Trade receivables* (cont'd)

The movements in credit loss allowance are as follows:

	Group					Company			
	Trade receivables – non-related parties	Trade receivables – related parties	Other receivables – related parties	Other receivables – non-related parties	Total	Other receivables – subsidiary corporations	Other receivables – related parties	Other receivables – non-related parties	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2019									
Beginning of financial year (Note 14)	-	-	2,323	3,755	6,078	3,616	1,109	499	5,224
Acquisition of subsidiary corporations	16	-*	-	-	16	-	-	-	-
Written off	-	-*	(2,323)	(3,755)	(6,078)	(1,854)	(1,109)	(499)	(3,462)
End of financial year (Note 14)	16	-*	-	-	16	1,762	-	-	1,762
2018									
Beginning of financial year (Note 14)	-	-	2,323	3,755	6,078	2,941	1,109	499	4,549
Loss allowance recognised in profit or loss during the year on:									
- Asset acquired/originated	-	-	-	-	-	675	-	-	675
End of financial year (Note 14)	-	-	2,323	3,755	6,078	3,616	1,109	499	5,224

* Less than S$1,000

29. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Cash and cash equivalents

The Group and the Company held cash and cash equivalents of S$1,354,000 and S$114,000 respectively (2018: S$1,613,000 and S$347,000) with banks with high credit-ratings assigned by international credit-rating agencies and consider to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at a short notice. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included measures undertaken as described in Note 4 and cash and short-term deposits as disclosed in Note 13 to the financial statements.

Management monitors rolling forecasts of the liquidity reserves (comprises of undrawn borrowing facility and cash and cash equivalents (Note 13) of the Group and the Company on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with the practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year S$'000	**Between 2 and 5 years S$'000**
Group		
At 31 December 2019		
Trade and other payables	2,402	180
Lease liabilities	793	2,251
Borrowings (excluding lease liabilities)	1,020	103
At 31 December 2018		
Trade and other payables	3,951	-
Financial guarantee contracts	3,493	-
Company		
At 31 December 2019		
Trade and other payables	900	180
Borrowings	574	188
At 31 December 2018		
Trade and other payables	4,245	-
Financial guarantee contracts	3,493	-

29. Financial risk management (cont'd)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to increase the working capital.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables (excluding deferred revenue) less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Group		Company	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Net debt	5,760	5,850	1,728	3,898
Total equity	8,345	(5,323)	6,080	(3,496)
Total capital	14,105	527	7,808	402
Gearing ratio	40.8%	N.M.	22.1%	N.M.

* N.M. Not meaningful

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2019 and 2018 respectively.

(e) Fair value measurements

The carrying amounts less impairment provision of trade and other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying amounts of current borrowings approximates their fair values.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet, except as follows:

	2019	**2018**
	S$'000	**S$'000**
Group		
Financial assets, at amortised cost	3,211	2,218
Financial liabilities, at amortised cost	6,749	7,444
Company		
Financial assets, at amortised cost	375	378
Financial liabilities, at amortised cost	1,842	4,245

30. Related party transactions

In addition to the information disclosed elsewhere in the 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	
	2019	2018
	S$'000	S$'000
Sales to related parties	-*	-

Outstanding balances as at 31 December 2019 and 2018 are unsecured and receivable/payable within 12 months from the balance sheet date and disclosed in Notes 14 and 21 to the financial statements respectively.

* Less than S$1,000

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2019	2018
	S$'000	S$'000
Key management personnel		
Wages, salaries and short-term benefits	519	441
Employer's contribution to defined contribution plans, including Central Provident Fund / Employees' Provident Fund	47	36
JCG share performance plan	278	-
Others	-*	-
	844	477
Comprised amounts paid to:		
- Directors of the Company	322	130
- Directors of subsidiary corporations	199	92
- Other key management personnel	323	255
	844	477

* Less than S$1,000

31. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors comprises of executive and non-executive directors.

The Board of Directors considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the four primary geographic areas namely, Singapore, Malaysia, Republic of China, Taiwan and People's Republic of China.

The Board of Directors monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

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

31. Segment information (cont'd)

The segment information provided to the Board of Directors for the reportable segments is as follows:

	Trading and distribution		Aesthetic medical and healthcare		Event organisation and management consultancy		Investment and others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Segment revenue										
- External parties	416	1,331	1,562	327	1,201	-	-	-	3,179	1,658
- Related parties	-	-	-*	-	-	-	-	-	-*	-
Gross profit	47	558	759	292	386	-		-	1,192	850
Other income	8	6	6	33	-*	-	25	3	39	42
Other gains										
- Other	-	-	-	-	-	-	19	9	19	9
Expenses										
- Distribution	(68)	(184)	(14)	-	(13)	-	(15)	-	(110)	(184)
- Administrative	(60)	(164)	(1,047)	(189)	(345)	-	(2,691)	(1,689)	(4,143)	(2,042)
- Finance	-	-	(27)	-	(16)	-	(198)	(647)	(241)	(647)
Profit/(loss) before income tax	(73)	216	(323)	136	12	-	(2,860)	(2,324)	(3,244)	(1,972)
Income tax (expense)/ credit	(23)	(14)	11	(5)	11	-	(2)	-	(3)	(19)
Net profit/(loss) for the financial year	(96)	202	(312)	131	23	-	(2,862)	(2,324)	(3,247)	(1,991)

* Less than S$1,000

31. Segment information (cont'd)

The segment information provided to the Board of Directors for the reportable segments is as follows: (cont'd)

	Trading and distribution		Aesthetic medical and healthcare		Event organisation and management consultancy		Investment and others		Total	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Other information										
Unwinding of imputed interest (Note 10)	-	-	-	-	-	-	151	170	151	170
Additions to:										
Property, plant and equipment (Note 17)	2	-	29	-	13	-	38	8	82	8
Goodwill (Note 20)	-	-	832	-	3,457	-	-	-	4,289	-
Depreciation of property, plant and equipment (Note 8)	-*	1	221	38	44	-	78	9	343	48
Amortisation of intangible assets (Note 8)	-	-	-*	-*	53	-	-	-	53	-
Interest expense of borrowings (Note 10)	-	-	10	-	11	-	30	477	51	477
Interest expense of lease (Note 10)	-	-	17	-	4	-	18	-	39	-
Assets and liabilities										
Segment and consolidated total assets	851	1,344	10,305	485	4,577	-	542	435	16,275	2,264
Segment and consolidated total liabilities	35	82	5,968	172	508	-	1,419	7,333	7,930	7,587

The segment profit/(loss), segment assets and segment liabilities presented to the Board of Directors are measured in a manner consistent with that of the financial statements. All items are allocated to respective reportable segments.

31. Segment information (cont'd)

(a) Revenue from major products and services

Revenue from external customers is derived mainly from the trading and distribution and rendering of aesthetic medical and healthcare services and event organisation and management consultancy. Investment holding and provision of management services are included in "Others".

(b) Revenue from external customers

Revenue of S$1,361,000 (2018: S$1,247,000) is derived from 3 (2018: 5) external customers. These revenues are attributable to the trading and distribution and event organisation and management consultancy segments.

(c) Geographical information

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

- Singapore – the Company is headquartered and has operations in Singapore. The operation in these areas are principally investment holding, event organisation and management consultancy, trading and distribution of steel mill consumable products;
- Malaysia – the operation in these areas are principally trading and distribution of steel mill consumable products and provision of aesthetic medical and healthcare services;
- Republic of China, Taiwan and People's Republic of China – the operations in these areas are principally the provision of aesthetic medical services.

	Group	
	2019	**2018**
	S$'000	**S$'000**
Revenue		
Singapore	1,617	1,331
Malaysia	1,319	-
Republic of China, Taiwan and People's Republic of China	243	327
	3,179	1,658
Non-current assets		
Singapore	4,020	4
Malaysia	8,407	-
Republic of China, Taiwan and People's Republic of China	11	27
	12,438	31

32. Business combinations

(i) Acquisition of Brand X Lab Pte. Ltd. ("Brand X Lab")

On 15 April 2019, the Company acquired a 100% equity interest in Brand X Lab. The principal activity of Brand X Lab is that of event organisation and management consultancy.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

		S$'000
(a)	**Purchase consideration**	
	Fair value of consideration shares	3,722
	Fair value of consideration warrants	522
	Total purchase consideration	4,244
(b)	**Effects on the cash flow of the Group**	
	Cash and cash equivalents in subsidiary acquired	95
	Cash inflow on acquisition	95

		At fair value S$'000
(c)	**Identifiable assets acquired and liabilities assumed**	
	Cash and cash equivalents	95
	Intangible assets (Note 20(b))	224
	Property, plant and equipment (Note 17)	105
	Trade and other receivables	1,183
	Total assets	1,607
	Trade and other payables	287
	Current income tax payable (Note 11(b))	183
	Deferred income tax liabilities (Note 24)	38
	Borrowings	312
	Total liabilities	820
	Total identifiable net assets	**787**

(d) Acquisition-related costs

Acquisition-related costs of S$17,000 are included in "Administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

32. Business combinations (cont'd)

(i) Acquisition of Brand X Lab Pte. Ltd. ("Brand X Lab") (cont'd)

(e) Provisional accounting of the acquisition of Brand X Lab

The acquisition of Brand X Lab was completed during the financial year ended 31 December 2019. The purchase price allocation of the acquisition of Brand X Lab in the financial year ended 31 December 2019 is provisional. The Group has engaged an independent valuer to determine the fair value of the assets acquired. At the reporting date, the fair value of the acquired assets of Brand X Lab is S$4,244,000, which have been determined on a provisional basis as the final result of the independent valuation has not been completed and received by the date the financial statements was authorised for issue. Goodwill arising from this acquisition, the carrying amount of the customer relationships, property, plant and equipment, deferred income tax liabilities, will be adjusted accordingly on a retrospective basis when the valuation is finalised. Additionally, if new information obtained within one year from the acquisition dates about the facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions and allowances that existed at the acquisition date, the accounting for the acquisition will also be adjusted retrospectively.

(f) Acquired receivables

The fair value of trade and other receivables is S$1,183,000 and includes trade receivables with a fair value of S$1,101,000. The gross contractual amount for trade receivables due is S$1,111,000, of which S$10,000 is expected to be uncollectible.

(g) Fair values

The fair value of the acquired identifiable intangible assets of S$224,000 (customer relationship) was finalised during the year. No adjustments were required to be recognised.

(h) Goodwill

The provisional goodwill of S$3,457,000 arising from the acquisition is synergistic with and complementary to the Group's existing medical aesthetics and healthcare business and will similarly augment other businesses that the Group would be expanding into in future. This maiden acquisition is in line with the Group commitment to rebuild and nurse the Group back to sustained profitability as the additional commercial activities brought in through the acquisition would increase the revenue income of the Group as a whole.

(i) Revenue and profit contribution

The acquired business contributed revenue of S$1,201,000 and net profit of S$23,000 to the Group from the period from 16 April 2019 to 31 December 2019.

Had Brand X Lab been acquired from 1 January 2019, consolidated revenue and consolidated loss for the year ended 31 December 2019 would have been S$3,930,000 and S$3,163,000 respectively.

32. Business combinations (cont'd)

(ii) Acquisition of Beverly Wilshire Medical Centre Group

On 7 November 2019, the Company entered into a Sales and Purchase Agreement with the various shareholders of Beverly Wilshire Medical Centre Sdn Bhd, Beverly Wilshire Medical Centre (JB) Sdn Bhd, Beverly Wilshire Tropicana City Mall Sdn Bhd, Beverly Wilshire Aesthetic Dental Centre Sdn Bhd, Beverly Wilshire Medical Aesthetic and Research Centre Sdn Bhd, and Beverly Wilshire Hair Transplant Sdn Bhd (collectively known as "Beverly Wilshire Medical Centre Group" or "Targeted Entities" to acquire 51% equity interests in Beverly Wilshire Medical Centre Group). The principal activities of Beverly Wilshire Medical Centre Group are that of aesthetic medical and healthcare services.

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

		S$'000
(a)	**Purchase consideration**	
	Fair value of consideration shares	2,295
	Fair value of consideration warrants	132
	Contingent consideration (Note 21)	180
	Total purchase consideration	2,607
(b)	**Effects on the cash flow of the Group**	
	Cash and cash equivalents in subsidiary acquired	246
	Bank overdraft (under borrowings)	(850)
	Cash outflow on acquisition	(604)

		At fair value S$'000
(c)	**Identifiable assets acquired and liabilities assumed**	
	Cash and cash equivalents	246
	Intangible assets (Note 20(c))	1,197
	Property, plant and equipment (Note 17)	6,561
	Trade and other receivables	805
	Inventories	645
	Total assets	9,454
	Trade and other payables	1,705
	Deferred income tax liabilities (Note 24)	670
	Borrowings	3,699
	Total liabilities	6,074
	Total identifiable net assets	**3,380**
	Less: Non-controlling interests, measured at the non-controlling interests' proportionate share of Beverly Wilshire Medical Centre Group's net identifiable assets	
	Less: Non-controlling interest at fair value	(1,605)
	Add: Provisional goodwill (Note 20(a))	832
	Consideration transferred for the business	**2,607**

32. Business combinations (cont'd)

(ii) Acquisition of Beverly Wilshire Medical Centre Group (cont'd)

(d) Acquisition-related costs

Acquisition-related costs of $256,000 are included in "Administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(e) Provisional accounting of the acquisition of Beverly Wilshire Medical Centre Group

The acquisition of Beverly Wilshire Medical Centre Group was completed during the financial year ended 31 December 2019. The purchase price allocation of the acquisition of Beverly Wilshire Medical Centre Group in the financial year ended 31 December 2019 is provisional. The Group has engaged an independent valuer to determine the fair value of the assets acquired. At the reporting date, the fair value of the acquired assets of Beverly Wilshire Medical Centre Group is S$2,607,000, which have been determined on a provisional basis as the final result of the independent valuation has not been completed and received by the date the financial statements was authorised for issue. Goodwill arising from this acquisition, the carrying amount of the trademark/brand, property, plant and equipment, deferred income tax liabilities, will be adjusted accordingly on a retrospective basis when the valuation is finalised. Additionally, if new information obtained within one year from the acquisition dates about the facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions and allowances that existed at the acquisition date, the accounting for the acquisition will also be adjusted retrospectively.

(f) Contingent consideration

The contingent consideration arises from certain conditions stated in the sale and purchase agreements, whereby consideration shares and warrants shall be issued and allotted to the vendors:

(i) Conditional upon and subject to the receipt by the Company (by no later than the date falling 5 months immediately after the end of the financial year ended 31 December 2019) of satisfactory evidence of the Target Entities (on a proforma consolidated group basis) achieving an audited net profit after tax for the financial year ended 31 December 2019 ("2019 NPAT");

(ii) Conditional upon and subject to the receipt by the Company of satisfactory evidence of the Target Entities (on a proforma consolidated group basis) achieving an audited net profit after tax for the financial year ended 31 December 2020 ("2020 NPAT") that is greater than the 2019 NPAT; and

(iii) Conditional upon and subject to the receipt by the Company of satisfactory evidence of the Target Entities (on a proforma consolidated group basis) achieving an audited net profit after tax for the financial year ended 31 December 2021 that is greater than the 2020 NPAT.

The fair value of the contingent consideration as at the acquisition date was estimated to amount to S$180,000 based on number of shares and warrants stated in the sale and purchases agreement and the latest available close price/fair value as at valuation date. This is a Level 3 fair value measurement.

(g) Acquired receivables

The fair value of trade and other receivables is S$817,000 and includes trade receivables with a fair value of S$184,000.

32. Business combinations (cont'd)

(ii) Acquisition of Beverly Wilshire Medical Centre Group (cont'd)

(h) Fair values

The fair value of the acquired identifiable intangible assets of S$1,197,000 (trademark/brand) was provided during the year.

(i) Goodwill

The Group had recognised a provisional goodwill of S$832,000 from the acquisition of Beverly Wilshire Medical Centre Group. The goodwill is provisionally determined as the Group is still in the midst of assessing the fair value of identified net assets acquired and liabilities assumed. The fair value exercise is expected to be finalised within 12 months from date of acquisition hence the goodwill has been provisionally allocated to the CGU. If new information obtained within one year from the acquisition date about the facts and circumstances that existed at the acquisition date identifies adjustment to the above amount, or any additional provision and allowances that existed at the acquisition date, the accounting for the acquisition will be adjusted retrospectively.

The provisional goodwill is part of the Group's overall strategic plan to rebuild the Group Health Business. The Group has the potential to expand its medical aesthetics and healthcare business as the medical aesthetics and healthcare businesses remains an industry segment in Greater China and South East Asia with strong growth potential. With Beverly Wilshire Medical Centre Group, the Group will cement our efforts to expand and build our businesses in Singapore, Malaysia and China. It is not deductible for tax purpose.

(j) Revenue and profit contribution

The acquired business contributed revenue of S$1,319,000 and net loss of S$163,000 to the Group from the period from 8 November 2019 to 31 December 2019.

Had Beverly Wilshire Medical Centre Group been acquired from 1 January 2019, consolidated revenue and consolidated loss for the year ended 31 December 2019 would have been S$11,271,000 and S$3,830,000 respectively.

33. Events occurring after balance sheet date

a) The Company has on 16 January 2020 completed the issuance and allotment of 427,807,485 subscription shares at an issue price of S$0.00187 to certain subscribers for a total consideration of S$800,000 and 85,561,497 investment warrants, each convertible into one warrant share at an exercise price of S$0.002 per investment warrant pursuant to the subscription agreements.

b) The Company's wholly-owned subsidiary JCG-Beverly Pte Ltd had 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.

c) Pursuant to the Subscription Agreement with Dato' Ng Tian Sang @ Ng Kek Chuan, the Put Option and the Call Option are exercisable during the period commencing on the date of completion of the acquisition of the Beverly Wilshire group of companies by the Company (which was completed on 7 November 2019) (the "Acquisition Date") and ending on the date falling 3 months immediately after the Acquisition Date (being 6 February 2020). As of 6 February 2020, neither the Call Option nor the Put Option have been exercised. As such, the Call Option and the Put Option have expired on 6 February 2020 in accordance with the terms of the Subscription Agreement.

33. Events occurring after balance sheet date (cont'd)

d) The Company's 56% indirectly-owned subsidiary, Natasha Beverly Sdn. Bhd. ("Natasha Beverly") has on 10 March 2020 incorporated a strategic joint venture company, Spinalive Beverly Sdn. Bhd with Spinalive Sdn. Bhd., who is an unrelated third party. The joint venture company's principal activities are chiropractic, traditional treatment and complementary medicine. Natasha Beverly has on 15 March 2020 entered into a binding term sheet (the "Term Sheet") with Spinalive to establish a joint venture for the purposes of providing services of 'pain management', including but not limited to chiropractic and physiotherapy services. Based on the Term Sheet, an agreement setting out the terms and condition for the proposed transaction (the "Definitive Agreement") shall be executed within fourteen (14) working days from the execution of the Term Sheet, subject to such extension(s) as may be mutually agreed in writing from time to time and provided always that all terms shall have been mutually agreed upon. Pursuant to an extension letter dated 26 March 2020, the long-stop date for the entry into the Definitive Agreement has been extended to 30 April 2020.

e) The emergence of COVID-19 has brought about uncertainties to the Group's operating environment and its financial position subsequent to the financial year end. The Group is cognisant of the challenges posed by these developing events and the potential impact they have on our business sector. The Group will continuously assess the situation, adhered 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.

34. New or revised accounting standards and interpretations

Amendments to SFRS(I) 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(I) 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.

35. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of JCG Investment Holdings Ltd. on 15 April 2020.

Statistics of Shareholdings

As at 27 March 2020

Issued share capital	:	S$76,476,220
No. of issued and fully paid-up shares	:	15,811,689,664
Class of Shares	:	Ordinary Shares

<u>Voting rights attached to shares</u>

On Poll	:	One vote per share
Treasury Shares	:	Nil
Subsidiary Holdings	:	Nil

SUBSTANTIAL SHAREHOLDERS
(as recorded in the Register of Substantial Shareholders as at 27 March 2020)

	Direct Interest		Deemed Interest	
Name of Substantial Shareholders	**No. of shares**	**%**	**No. of shares**	**%**
Rest Investment Ltd(1)	2,857,142,857	18.07	-	-
Chua Chuan Seng(2)	5,000	0.00	2,857,142,857	18.07
Tan Suying(3)	1,861,111,111	11.77	-	-
Dato' Ng Tian Sang @ Ng Kek Chuan(4)	1,074,197,200	6.79	775,511,751	4.90
Yuen Pui Leng Eunice	928,571,428	5.87	-	-

Notes:

(1) The 2,857,142,857 voting shares described as direct interests of Rest Investment Ltd are held through UOB Kay Hian Private Limited as intermediary.

(2) Chua Chuan Seng is the sole shareholder of Rest Investments Ltd, which holds voting shares in the Company and hence he is deemed interested in such voting shares. The total deemed interest consists of 2,857,142,857 voting shares held by Rest Investments Ltd's intermediary, UOB Kay Hian Private Limited.

(3) The 1,861,111,111 voting shares described as direct interests of Tan Suying are held through UOB Kay Hian Private Limited as intermediary.

(4) Out of the 1,074,197,200 voting shares described as direct interests of Dato' Ng Tian Sang @ Ng Kek Chuan, 922,964,140 and 151,233,060 voting shares are held through United Overseas Bank Limited and RHB Securities Singapore Pte Ltd as intermediaries respectively. Dato' Ng Tian Sang @ Ng Kek Chuan is deemed to be interested in the 270,623,630, 265,358,845 and 239,529,276 voting shares held by Datin' Wong Ling Chu, Howard Ng How Er and Alexander Ng Zhonglie, who are his spouse and sons respectively.

SHAREHOLDINGS HELD IN THE HAND OF PUBLIC SHAREHOLDERS

Based on information available to the Company as at 27 March 2020, approximately 51.72% of the shareholdings are held in the hands of public. At least 10% of the Company's issued ordinary shares are held in the hands of public at all times and the Company is in compliance with Rule 723 of the Listing Manual Section B: Rules of Catalist issued by SGX-ST.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	98	3.44	3,765	0.00
100 - 1,000	164	5.75	104,252	0.00
1,001 - 10,000	238	8.34	1,365,608	0.01
10,001 - 1,000,000	1,994	69.92	436,758,401	2.76
1,000,001 AND ABOVE	358	12.55	15,373,457,638	97.23
TOTAL	**2,852**	**100.00**	**15,811,689,664**	**100.00**

Statistics of Shareholdings

As at 27 March 2020

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	UOB KAY HIAN PRIVATE LIMITED	4,947,270,498	31.29
2	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	973,808,290	6.16
3	YUEN PUI LENG EUNICE	928,571,428	5.87
4	RHB SECURITIES SINGAPORE PTE. LTD.	915,946,652	5.79
5	PHILLIP SECURITIES PTE LTD	810,250,050	5.12
6	CITIBANK NOMINEES SINGAPORE PTE LTD	646,498,488	4.09
7	LOKE LAI WAN	530,357,143	3.35
8	SOH FOOK SENG	523,214,286	3.31
9	CHUA KHOON WONG	322,142,857	2.04
10	CHIA SUAT PENG (XIE XUEPING)	265,528,571	1.68
11	OCBC SECURITIES PRIVATE LIMITED	265,138,002	1.68
12	FOO YU YUAN (FU YUYUAN)	258,928,572	1.64
13	ALEXANDER NG ZHONGLIE	239,529,276	1.51
14	YAP MEE LEE	220,000,000	1.39
15	WONG CHAO HSIUNG	186,296,757	1.18
16	DBS NOMINEES (PRIVATE) LIMITED	168,824,189	1.07
17	TGC PRIVATE OFFICE PTE LTD	142,857,143	0.90
18	ANG KOK HUAN	138,888,889	0.88
19	SEAH SIN YUEN (XIE XINYUN)	138,888,889	0.88
20	HARJIT SINGH A/L GURDEV SINGH	133,689,840	0.85
	TOTAL	**12,756,629,820**	**80.68**

Statistics of Warrantholdings

As at 27 March 2020

DISTRIBUTION OF WARRANTHOLDINGS (W201029)

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 99	1	0.14	50	0.00
100 - 1,000	3	0.42	1,350	0.00
1,001 - 10,000	7	0.98	30,677	0.00
10,001 - 1,000,000	484	67.60	180,330,691	6.45
1,000,001 AND ABOVE	221	30.86	2,616,555,725	93.55
TOTAL	**716**	**100.00**	**2,796,918,493**	**100.00**

TWENTY LARGEST WARRANTHOLDERS (W201029)

NO.	NAME	NO. OF WARRANTS	%
1	PHILLIP SECURITIES PTE LTD	248,916,767	8.90
2	RHB SECURITIES SINGAPORE PTE. LTD.	242,095,050	8.66
3	KIOW KIM YOON	200,000,000	7.15
4	CITIBANK NOMINEES SINGAPORE PTE LTD	177,000,000	6.33
5	YAP MEE LEE	165,000,000	5.90
6	MAYBANK KIM ENG SECURITIES PTE. LTD.	133,157,150	4.76
7	CHNG BENG HUA	100,500,000	3.59
8	DBS NOMINEES (PRIVATE) LIMITED	79,661,150	2.85
9	PANG CHOO HUANG	68,700,000	2.46
10	TEE MAY BUAN OR ONG ENG JOO	60,000,000	2.15
11	TANG BOON SIAH	47,200,000	1.69
12	ANG KIM CHUAN	40,000,000	1.43
13	OCBC SECURITIES PRIVATE LIMITED	33,089,000	1.18
14	MRS CHAU-CHAN SUI YUNG	32,490,000	1.16
15	LOW SIEW YAM	27,500,000	0.98
16	LEE WEE NGAM	26,250,000	0.94
17	WONG HAN YEW	25,994,900	0.93
18	LEOW SIOH MOY	24,000,000	0.86
19	TEO SIEW CHOO	24,000,000	0.86
20	TAN HENG WENG	22,250,000	0.80
	TOTAL	**1,777,804,017**	**63.58**

Update on Audit Issues Pursuant to Paragraph 3A of Appendix 7C, Catalist Rules

The board of directors (the "**Board**" or "**Directors**") of JCG Investment Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the disclaimer of opinion in respect of its Independent Auditor's Report for the financial statements of the Group for the financial year ended 31 December 2019 (the "**Auditors Report**") issued by the Company's independent auditor, Nexia TS Public Accounting Corporation as set out on pages 43 to 46 of this report.

Pursuant to Rule 704(4) and paragraph 3A of Appendix 7C of the Catalist Listing Rules, the Board wishes to update the shareholders on its responses to the key bases for the disclaimer of opinion and the efforts being taken to resolve each outstanding audit issue, as the case may be:

1. <u>Going concerns</u>

The Board believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2019 is appropriate after taking into consideration the following actions and measures:

(a) Capital injection of S$4,000,000 in cash by way of subscription for new ordinary shares of the Company from Rest Investments Ltd. A substantial amount of the capital injection was used to pay off the borrowing of S$3,493,000 due to a non-related party.

(b) Conversion of payable to new ordinary shares of the Company upon completion of the corporate exercises in January 2019 amounting to S$3,500,000 taking into consideration unwinding of imputed interest of S$151,000. The payable was due to a former shareholder, which arise in relation to the acquisition of 51% of CIC from China Medical Investments Co Pte. Ltd. (the "**Vendor**").

(c) The Group acquired Brand X Lab Pte. Ltd. ("**Brand X Lab**") and the acquisition was completed 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. This acquisition is synergistic with and complementary to the Company's existing medical aesthetics and healthcare business and will similarly augment other businesses that the Company would be expanding into in future.

(d) The Group had completed the acquisition of a controlling interests of 51% in Beverly Wilshire Medical Centre Group on 7 November 2019. In addition, the Company's wholly-owned subsidiary JCG-Beverly Pte Ltd had on 24 January 2020, formed a strategic joint venture with Natasha Skincare (Malaysia) Sdn Bhd under a Special Purpose Vehicle ("**SPV**"), 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. Furthermore, Natasha Beverly had on 10 March 2020 incorporated a strategic joint venture company, Spinalive Beverly Sdn. Bhd ("**Spinalive Beverly**") with Spinalive Sdn. Bhd. Spinalive Beverly's principal activities are chiropractic, traditional treatment and complementary medicine. Barring any unforeseen circumstances, the Group expects these new subsidiary corporations to contribute positively to the Group's working capital position.

(e) The Company had on 16 January 2020 completed the issuance and allotment of 427,807,485 subscription shares at an issue price of S$0.00187 to certian subscribers for a total consideration of S$800,000 and 85,561,497 investment warrants, each convertible into one warrant share at an exercise price of S$0.002 per investment warrant pursuant to the subscription agreements.

(f) 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.

Update on Audit Issues Pursuant to Paragraph 3A of Appendix 7C, Catalist Rules

2. **Independent review on the recoverability of advances and/or loans and goodwill**

   (a) The advances and/or loans made to a few business partners for the setting up of clinics through joint venture arrangements and/ or Wholly Foreign-Owned Enterprise ("**WFOE**") had been fully impaired or written off during the financial years ended 31 December 2017 and 2016 as management formed the opinion that these loans were no longer recoverable.

   (b) Management had fully impaired the goodwill arising from the acquisition of China iMyth Company Pte. Ltd. ("**China iMyth**") during the financial year ended 31 December 2017 on the basis that the business had been recording losses.

   (c) 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.

3. **Consolidation of financial statement – iMyth Taiwan Limited**

   Management is of the view that the results and financial position of iMyth Taiwan Limited ("**iMyth Taiwan**"), being net loss of S$150,000 for the financial year ended 31 December 2019 and net tangible liabilities position of S$645,000 as at 31 December 2019, is insignificant compared to the Group's net loss of S$3,247,000 for the financial year ended 31 December 2019 and net tangible assets position of S$8,345,000 as at 31 December 2019. In addition, management has the intention to dispose of iMyth Taiwan and will provide updates to shareholders in due course and at the appropriate juncture.

4. **Completeness of banking facilities**

   Due to COVID-19 and the Malaysia Movement Control Order ("**MCO**") which has been extended to 28 April 2020, management is unable to obtain the bank confirmations for these bank accounts for two of our Malaysia subsidiaries as at the date of the Auditors' Report. Despite the limitations due to the MCO, management has continued to follow up on the bank confirmations and hopes to receive these as soon as possible. Nevertheless, management is of the view that the bank balances in those bank accounts amounting of S$3,700 in aggregate are insignificant compared to the Group's total cash in bank of S$1,354,000 and net tangible assets of S$8,345,000 as at 31 December 2019. Management also confirms that there are no other banking facilities with the financial institutions that could cause and impact on the financial statements, or related information that are required to be disclosed.

The Board (i) is of the opinion that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner; (ii) confirmed that all material disclosures have been provided for trading of the Company's shares to continue; and (iii) confirmed that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Summary of Annual General Meeting Resolutions

The board of directors (the "**Board**" or "**Directors**") of JCG Investment Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement on 31 March 2020 in relation to:

(i) the approval by Accounting and Corporate Regulatory Authority ("**ACRA**") for extension of time till 29 June 2020 to hold its Annual General Meeting ("**AGM**") for FY2019 and file its annual return under Sections 175(2) and 197(1B) of the Companies Act to file its Annual Return in respect of FY2019 by 30 July 2020; and

(ii) the approval by Singapore Exchange Regulation ("**SGX Regco**") for a 2-month extension of time to comply with Rule 707(1) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") to convene its AGM in respect of FY2019 by 29 June 2020 ("**Waiver**").

A summary of resolutions which will be passed at the AGM of the Company which will be held on or before 29 June 2020 is as follows:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' Statement and the Auditors' Report. **(Resolution 1)**

2. To re-elect Mr Yap Siean Sin who is retiring pursuant to Regulation 90 of the Company's Constitution. **(Resolution 2)**

3. To re-elect Dr Lam Lee G who is retiring pursuant to Regulation 90 of the Company's Constitution. **(Resolution 3)**

4. To re-elect Dato' Ng Tian Sang @ Ng Kek Chuan who is retiring pursuant to Regulation 96 of the Company's Constitution. **(Resolution 4)**

5. To re-elect Mr Howard Ng How Er who is retiring pursuant to Regulation 96 of the Company's Constitution. **(Resolution 5)**

6. To approve the payment of Directors' fees for the financial year ending 31 December 2020, to be paid quarterly in arrears. **(Resolution 6)**

7. To re-appoint Messrs Nexia TS Public Accounting Corporation for the financial year ending 31 December 2020 as the Company's auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

8. To consider and authorise the Directors of the Company to allot and issue shares. **(Resolution 8)**

9. To consider and authorise the Directors of the Company to grant awards in accordance with the JCG Share Performance Plan ("JCG SPP") and allot and issue shares pursuant to the vesting of the awards under the JCG SPP. **(Resolution 9)**

Shareholders are advised that the resolutions may be subject to change due to unforeseen circumstances and the final form of resolutions will be included in the Notice of AGM to be released.

CORPORATE INFORMATION

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

Mr Ang Kok Huan
Executive Director and Chief Executive Officer

Mr Howard Ng How Er
Executive Director and Deputy Chief Executive Officer

Mr Yap Siean Sin
Independent Director

Dr Lam Lee G
Independent Director

Mr Cheung Wai Man Raymond
Independent Director

AUDIT COMMITTEE
Dr Lam Lee G *(Chairman)*
Mr Yap Siean Sin
Mr Cheung Wai Man, Raymond

REMUNERATION COMMITTEE
Mr Yap Siean Sin *(Chairman)*
Dr Lam Lee G
Dato' Ng Tian Sang @ Ng Kek Chuan

NOMINATING COMMITTEE
Mr Yap Siean Sin *(Chairman)*
Dr Lam Lee G
Mr Ang Kok Huan

RISK MANAGEMENT COMMITTEE
Mr Ang Kok Huan *(Chairman)*
Dato' Ng Tian Sang @ Ng Kek Chuan
Mr Howard Ng How Er
Mr Yap Siean Sin
Dr Lam Lee G
Mr Cheung Wai Man, Raymond

REGISTERED OFFICE
600 North Bridge Road
#06-02 Parkview Square
Singapore 188778
T (65) 6708 7630
E ir@jcg-investment.com
W www.jcg-investment.com

COMPANY SECRETARIES
Ms Ong Beng Hong
Ms Tan Swee Gek

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

INDEPENDENT AUDITOR
Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants
80 Robinson Road
#25-00
Singapore 068898
Director-in-charge: Ms Loh Hui Nee
Year of appointment: Financial Year ended 31 December 2015

SPONSOR
Stamford Corporate Services Pte. Ltd.
10 Collyer Quay
#27-00 Ocean Financial Centre
Singapore 049315

JCG INVESTMENT HOLDINGS LTD.

JCG INVESTMENT HOLDINGS LTD.

(Company Registration Number: 200505118M)

600 North Bridge Road
#06-02 Parkview Square
Singapore 188778
T (65) 6708 7630
E ir@jcg-investment.com
W www.jcg-investment.com