

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

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**DISCLAIMER OF OPINION BY INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR  
FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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The board of directors (the “**Board**” or “**Directors**”) of Beverly JCG Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s independent auditor, Nexia TS Public Accounting Corporation (the “**Auditors**”), has issued a 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 2020 (the “**Auditors 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. Going concern**

**Auditors’ Disclaimer Opinion**

As per the Auditor’s disclaimer opinion, 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 financial statements of the Group and the Company is appropriate for the current financial year:

As disclosed in Note 4 to the financial statements, the Group and the Company incurred a total loss of S\$5,254,000 (2019: S\$3,247,000) and S\$2,331,000 (2019: S\$5,742,000) respectively and the Group also incurred net operating cash outflows of S\$670,000 (2019: S\$1,247,000) for the financial year ended 31 December 2020. As at 31 December 2020, the Group’s current liabilities exceeded its current assets by S\$520,000 (2019: S\$871,000). The Group’s and the Company’s cash and cash equivalents (excluding bank deposits pledged) as at 31 December 2020 of S\$83,000 and S\$43,000 (2019: bank overdraft of S\$297,000 and cash and cash equivalents of S\$114,000) respectively may not be sufficient to meet the Group’s and the Company’s current liabilities.

**Board’s Responses**

The Board 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 2020 is appropriate after taking into consideration the following assumptions and measures:

- (a) New subsidiary corporations/joint venture companies
  - (i) The Company’s wholly-owned subsidiary JCG-Beverly Pte Ltd (“**JCGB**”) had on 24 January 2020, formed a strategic joint venture with Natasha Skincare (Malaysia) Sdn Bhd under a special purpose vehicle, Natasha Beverly Sdn Bhd (“**NBSB**”). NBSB’s principal activities are medical aesthetics clinic and other health maintenance procedures such as medi-spa, chiropractor and physiotherapy. Natasha Skincare is a leading beauty brand in Indonesia with more than 100 outlets. NBSB is expected to generate revenue and contribute positively to the Group in the subsequent years as it has been involved in the following corporate expansion exercises, including establishing aesthetics and dental clinics within the Natasha Beverly Medical Centre.
  - (ii) On 15 July 2020, NBSB incorporated a special purpose vehicle, DS Beverly Sdn Bhd, for the purposes of entering into a strategic joint venture with a non-related party, Dermatology & Surgery Clinic Pte Ltd (“**DS**”). The joint venture’s principal activities include healthy aging, regenerative medicine and health screening services. On 28 December 2020, NBSB and DS had entered into an extension letter whereby both parties mutually agreed that the long-stop date for signing of the definitive agreement shall be extended to 31 July 2021 from a previously agreed date of 31 December 2020.

- (iii) On 11 August 2020, NBSB incorporated a 56% owned subsidiary corporation, Natasha Beverly Aesthetics Sdn. Bhd. (“**NBASB**”). NBSB had on 1 January 2021 entered into a non-binding term sheet with Beverly Bangsar Sdn. Bhd. (“**BBSB**”) and on 15 February 2021, signed the definitive agreement with BBSB to jointly provide aesthetic medicine and related services through NBASB.
- (iv) NBSB and Beverly Wilshire Aesthetic Dental Centre Sdn Bhd, both subsidiary corporations of the Company, had on 15 April 2021 entered into a definitive agreement with Arlena Philip Lee (“**Dr Arlena**”) and Rajinderpal Singh A/L Nantam Singh to establish a joint venture company in Malaysia to be known as “Natasha Beverly Dental” for the purpose of providing aesthetic dental services.
- (v) JCGB had on 7 April 2020, incorporated a special purpose vehicle, Beverly Ipoh Sdn Bhd (“**BISB**”) for the purpose of entering into a strategic joint venture with Chong Yee Leng (“**Dr Elaine**”). The joint venture’s principal activities are aesthetic medicine and related activities. JCGB had on 23 April 2020 entered into a non-binding term sheet (the “**BISB Term Sheet**”) with Dr Elaine to establish a joint venture for the purposes of providing aesthetic medicine procedures. The BISB Term Sheet had lapsed on 14 May 2020. Subsequently, JCGB had on 8 June 2020 entered into a new non-binding term sheet (the “**New BISB Term Sheet**”) with Dr Elaine for the proposed transaction. The New BISB Term Sheet had lapsed on 29 June 2020. Subsequent to the lapse of the New BISB Term Sheet and pursuant to further discussions between JCGB and Dr Elaine, JCGB had on 7 September 2020 entered into a joint venture agreement with Dr Elaine; and a shareholders’ agreement with Dr Elaine, Howard Ng How Er and BISB, each in relation to the proposed transaction. BISB is part of the Group’s expansion plans to open clinics in the other states of Malaysia, other than Kuala Lumpur and Johor.
- (vi) JCGB had on 15 April 2021 entered into a definitive agreement with Dr. Arlena and Klinik Pergigian Dentistree to, inter alia, establish a joint venture company in Malaysia to be known as “Beverly Dentistree” for the purpose of providing aesthetic dental services.

Barring any unforeseen circumstances, the Group expects these new subsidiary corporations/joint venture companies to contribute positively to the Group’s working capital position.

(b) Fund-raising exercises

- (i) Beverly Wilshire Medical Centre Sdn Bhd (“**BWMC**”), a 51% owned subsidiary of the Company, had on 28 May 2020 entered into a letter of offer with a Malaysian bank in relation to the grant of banking facilities of up to RM7.0 million to BWMC.
- (ii) On 2 June 2021, the Company has allotted and issued 2,112,779,425 rights shares (“**Right Shares**”) with 2,112,779,425 warrants pursuant to a rights cum warrants issue (the “**2021 Rights cum Warrants Issue**”) at an issue price of S\$0.001 for each Rights Share for net proceeds of approximately S\$1,954,000 which will be used for general working capital and future expansion of the Group.

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.

## **2. Assets, liabilities and results of the Group’s aesthetic business in Taiwan**

### **Auditors’ Disclaimer Opinion**

As at 31 December 2020, the Group has effective equity interest of 51% in iMyth Taiwan Limited (“**iMyth Taiwan**”) held through its 51%-owned subsidiary corporation, China iMyth Company Pte. Ltd (“**China iMyth**”) which are in the business of providing aesthetic business in Taiwan.

On 13 May 2020, the Company entered into a deed of settlement with Dr Chung Yih-Chen in relation to the termination of the joint venture in respect of iMyth Taiwan. Pursuant to the deed of settlement,

China iMyth had on 26 March 2021, completed the disposal of its 100% shareholding interest in iMyth Taiwan to Lin Hongtu, a nominee of Dr Chung Yih-Chen. Accordingly, the Group reclassified assets and liabilities of iMyth Taiwan as disposal group classified as held-for-sale and presented its results as discontinued operations in accordance with SFRS(I) 5 *Non-current Asset Held for Sale and discontinued Operations* during the financial year ended 31 December 2020.

Since the financial year ended 31 December 2017 ("FY2017"), the Auditors were unable to obtain sufficient audit evidence on all information and explanations, which they considered necessary to provide them with reasonable assurance on whether the financial statements of iMyth Taiwan, included in the consolidated financial statements of the Group, had been presented fairly, and whether they were consolidated appropriately. There were no other practicable audit procedures that they could perform to satisfy themselves on the completeness, existence and accuracy of the financial information of iMyth Taiwan and whether they had been properly reflected in the consolidated financial statements of the Group.

In relation to the operations of iMyth Taiwan and China iMyth, the Group had in the prior financial years:

- (a) provided advances totaling 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"). Impairment losses on advances and/or loans amounted 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 allowances amounted to S\$6,078,000 were written off during the financial year ended 31 December 2019.
- (b) recognised goodwill amounted to S\$17,997,000 from the acquisition of 51% equity interest in China iMyth which had been fully impaired during the financial year ended 31 December 2017.
- (c) 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 related 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 the Auditors report they are unable to:

- (i) Obtain sufficient appropriate audit evidence concerning the existence and accuracy of the total advances and/or loans provided to business partners totalled to S\$6,078,000 and the corresponding resultant cumulative impairment loss amounted to S\$6,078,000.
- (ii) Determine whether the adjustment made on the assets and liabilities of the Group's aesthetic business in Taiwan classified as disposal group held-for-sale are fairly stated in view of the independent review and whether any further adjustments are required on the results of its operations presented as discontinued operations.
- (iii) Ascertain whether the completed independent review announced on 30 March 2020 would have an impact on the Group'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.

The matters (a) to (c) mentioned above have been included in the Bases for Disclaimer of Opinion paragraph on 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 2019, 2018 and 2017 dated 15 April 2020, 5 April 2019 and 3 April 2018 respectively.

Notwithstanding that assets and liabilities of iMyth Taiwan are classified as disposal group held-for-sale as at 31 December 2020 and that the goodwill from acquisition of iMyth China had been fully impaired during the financial year ended 31 December 2017, the Auditors were unable to obtain sufficient audit evidences to assess the impact of the independent review on the Group'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. They were also unable to obtain sufficient audit evidence, on all information and explanations, which they

considered necessary to provide them with reasonable assurance on the completeness, existence and accuracy of the financial statements of iMyth Taiwan, and to determine whether the financial statements have been appropriately reported and presented.

### **Board's Responses**

- (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 during the financial years ended 31 December 2017 and 2016 and the total cumulative loss allowances amounted to S\$6,078,000 were written off during the financial year ended 31 December 2019 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 during the financial year ended 31 December 2017 on the basis that the business had been recording losses for past few financial years, therefore it was not expected to be able to generate returns to the Group.
- (c) On 13 May 2020, the Company entered into a deed of settlement with Dr Chung Yih-Chen in relation to the termination of the joint venture in respect of iMyth Taiwan. Pursuant to the deed of settlement, China iMyth had on 26 March 2021, completed the disposal of its 100% shareholding interest in iMyth Taiwan to Lin Hongtu, a nominee of Dr Chung Yih-Chen.

Accordingly, the net assets and liabilities of iMyth Taiwan were reclassified as disposal group held-for-sale in accordance with SFRS(I) 5 *Non-current Asset Held for Sale and Discontinued Operations* and the carrying amounts were written down to US\$1, being the consideration for the disposal. The results of iMyth Taiwan during the financial year ended 31 December 2020 was also presented as discontinued operations.

- (d) As announced by the Company on 30 March 2020, BDO LLP, which was appointed by the Company to conduct the independent review, has completed the independent review. The Company has formulated its response and proposal to address the issues raised, and implemented some of the recommendations proposed in the independent review report. The Company has submitted a report to SGX in relation to this and will provide updates to shareholders in due course and at the appropriate juncture.

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 and all necessary adjustments have been reflected in the financial statements.

A copy of the aforesaid Auditors' Report is annexed to this announcement for further information. The Auditors' Report and a complete set of the Audited Financial Statements will also be found in the Company's Annual Report 2020 (“FY2020 Annual Report”), which will be released on SGXNET. Shareholders of the Company are advised to read this announcement in conjunction with the FY2020 Annual Report.

### **BY ORDER OF THE BOARD**

Dato' Ng Tian Sang @ Ng Kek Chuan  
Executive Chairman and Chief Executive Officer

14 June 2021

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BEVERLY JCG LTD.  
(F.K.A JCG INVESTMENT HOLDINGS LTD.)**

**Report on the Audit of the Financial Statements**

***Disclaimer of Opinion***

We were engaged to audit the financial statements of Beverly JCG Ltd. (formerly known as 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 2020, 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. Going concern**

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

As disclosed in Note 4 to the financial statements, the Group and the Company incurred a total loss of S\$5,254,000 (2019: S\$3,247,000) and S\$2,331,000 (2019: S\$5,742,000) respectively and the Group also incurred net operating cash outflows of S\$670,000 (2019: S\$1,247,000) for the financial year ended 31 December 2020. As at 31 December 2020, the Group's current liabilities exceeded its current assets by S\$520,000 (2019: S\$871,000). The Group's and the Company's cash and cash equivalents (excluding bank deposits pledged) as at 31 December 2020 of S\$83,000 and S\$43,000 (2019: bank overdraft of S\$297,000 and cash and cash equivalents of S\$114,000) respectively may not be sufficient to meet the Group's and the Company's current liabilities.

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 2020 is appropriate after taking into consideration the following assumptions and measures:

- a) New subsidiary corporations/joint venture companies
  - (i) The Company's wholly-owned subsidiary JCG-Beverly Pte Ltd ("JCGB") had on 24 January 2020, formed a strategic joint venture with Natasha Skincare (Malaysia) Sdn Bhd ("NSC") under a special purpose vehicle, Natasha Beverly Sdn Bhd ("NBSB"). NBSB's principal activities are medical aesthetics clinic and other health maintenance procedures such as medi-spa, chiropractor and physiotherapy. Natasha Skincare is a leading beauty brand in Indonesia with more than 100 outlets. NBSB is expected to generate revenue and contribute positively to the Group in the subsequent years as it has been involved in the following corporate expansion exercises, including establishing aesthetics and dental clinics within the Natasha Beverly Medical Centre.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BEVERLY JCG LTD.  
(F.K.A JCG INVESTMENT HOLDINGS LTD.)  
(cont'd)**

***Bases for Disclaimer of Opinion*** (cont'd)

1. **Going concerns** (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 of the Group for the financial year ended 31 December 2020 is appropriate after taking into consideration the following actions and measures: (cont'd)

(a) New subsidiary corporations/joint venture companies: (cont'd)

- On 15 July 2020, NBSB incorporated a special purpose vehicle, DS Beverly Sdn Bhd ("DS Beverly"), for the purposes of entering into a strategic joint venture with a non-related party, Dermatology & Surgery Clinic Pte Ltd ("DS"). The joint venture's principal activities include healthy aging, regenerative medicine and health screening services. On 28 December 2020, NBSB and DS had entered into an extension letter whereby both parties mutually agreed that the long-stop date for signing of the definitive agreement shall be extended to 31 July 2021 from a previously agreed date of 31 December 2020.
  - On 11 August 2020, NBSB incorporated a 56% owned subsidiary corporation, Natasha Beverly Aesthetics Sdn. Bhd. ("NBASB"). NBSB had on 1 January 2021 entered into a non-binding term sheet (the "NBASB Term Sheet") with Beverly Bangsar Sdn. Bhd. ("BBSB") and on 15 February 2021, signed the definitive agreement with BBSB to jointly provide aesthetic medicine and related services through NBASB.
  - NBSB and Beverly Wilshire Aesthetic Dental Centre Sdn Bhd ("BWAD"), both subsidiary corporations of the Company, had on 15 April 2021 entered into a definitive agreement with Dr Arlena and Rajinderpal Singh A/L Nantam Singh ("Dr. Ryan") to establish a joint venture company in Malaysia to be known as "Natasha Beverly Dental" for the purpose of providing aesthetic dental services.
- (ii) JCGB had on 7 April 2020, incorporated a special purpose vehicle, Beverly Ipoh Sdn Bhd ("BISB") for the purpose of entering into a strategic joint venture with Chong Yee Leng ("Dr Elaine"). The joint venture's principal activities are aesthetic medicine and related activities. JCGB had on 23 April 2020 entered into a non-binding term sheet (the "BISB Term Sheet") with Dr Elaine to establish a joint venture for the purposes of providing aesthetic medicine procedures. The BISB Term Sheet had lapsed on 14 May 2020. Subsequently, JCGB had on 8 June 2020 entered into a new non-binding term sheet (the "New BISB Term Sheet") with Dr Elaine for the proposed transaction. The New BISB Term Sheet had lapsed on 29 June 2020. Subsequent to the lapse of the New BISB Term Sheet and pursuant to further discussions between JCGB and Dr Elaine, JCGB had on 7 September 2020 entered into a joint venture agreement with Dr Elaine; and a shareholders' agreement with Dr Elaine, Howard Ng How Er and BISB, each in relation to the proposed transaction. BISB is part of the Group's expansion plans to open clinics in the other states of Malaysia, other than Kuala Lumpur and Johor.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BEVERLY JCG LTD.  
(F.K.A JCG INVESTMENT HOLDINGS LTD.)  
(cont'd)**

***Bases for Disclaimer of Opinion*** (cont'd)

**1. Going concerns** (cont'd)

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 2020 is appropriate after taking into consideration the following assumptions and measures: (cont'd)

(a) New subsidiary corporations/joint venture companies: (cont'd)

- (iii) JCGB had on 15 April 2021 entered into a definitive agreement with Arlena Philip Lee ("Dr. Arlena") and Klinik Pergigian Dentistree ("Dentistree") to, inter alia, establish a joint venture company in Malaysia to be known as "Beverly Dentistree" for the purpose of providing aesthetic dental services.

Barring any unforeseen circumstances, the Group expects these new subsidiary corporations/joint venture companies to contribute positively to the Group's working capital position.

(b) Fund-raising exercises

- (i) Beverly Wilshire Medical Centre Sdn Bhd ("BWMC"), a 51% owned subsidiary of the Company, had on 28 May 2020 entered into a letter of offer with a Malaysian bank in relation to the grant of banking facilities of up to RM7.0 million to BWMC.
- (ii) On 2 June 2021, the Company has allotted and issued 2,112,779,425 Rights Shares with 2,112,779,425 Warrants pursuant to the Rights cum Warrants Issue at an issue price of S\$0.001 for each Rights Share for net proceeds of approximately S\$1,954,000 which will be used for general working capital and future expansion of the Group.

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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BEVERLY JCG LTD.  
(F.K.A JCG INVESTMENT HOLDINGS LTD.)  
(cont'd)**

***Bases for Disclaimer of Opinion*** (cont'd)

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

As at 31 December 2020, the Group has effective equity interest of 51% in iMyth Taiwan Limited ("iMyth Taiwan") held through its 51%-owned subsidiary corporation, China iMyth Company Pte. Ltd ("China iMyth") which are in the business of providing aesthetic business in Taiwan.

On 13 May 2020, the Company entered into a deed of settlement with Dr Chung Yih-Chen in relation to the termination of the joint venture in respect of iMyth Taiwan. Pursuant to the deed of settlement, China iMyth had on 26 March 2021, completed the disposal of its 100% shareholding interest in iMyth Taiwan to Lin Hongtu, a nominee of Dr Chung Yih-Chen. Accordingly, the Group reclassified assets and liabilities of iMyth Taiwan as disposal group classified as held-for-sale and presented its results as discontinued operations in accordance with SFRS(I) 5 *Non-current Asset Held for Sale and discontinued Operations* during the financial year ended 31 December 2020.

Since the financial year ended 31 December 2017 ("FY2017"), we were unable to obtain sufficient audit evidence on all information and explanations, which we considered necessary to provide us with reasonable assurance on whether the financial statements of iMyth Taiwan, included in the consolidated financial statements of the Group, had been presented fairly, nor were they consolidated appropriately. There were no other practicable audit procedures that we could perform to satisfy ourselves on the completeness, existence and accuracy of the financial information of iMyth Taiwan and whether they had been properly reflected in the consolidated financial statements of the Group.

In relation to the operations of iMyth Taiwan and China iMyth, the Group had in the prior financial years:

- (a) provided advances totalled to 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"). Impairment losses on advances and/or loans amounted 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 allowances amounted to S\$6,078,000 were written off during the financial year ended 31 December 2019.
- (b) recognised goodwill amounted to S\$17,997,000 from the acquisition of 51% equity interest in China iMyth which had been fully impaired during the financial year ended 31 December 2017.
- (c) 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 related 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BEVERLY JCG LTD.  
(F.K.A JCG INVESTMENT HOLDINGS LTD.)  
(cont'd)**

***Bases for Disclaimer of Opinion*** (cont'd)

**2. Assets, liabilities and results of the Group's aesthetic business in Taiwan** (cont'd)

At the date of this report we are unable to:

- (i) Obtain sufficient appropriate audit evidence concerning the existence and accuracy of the total advances and/or loans provided to business partners totalled to S\$6,078,000 and the corresponding resultant cumulative impairment loss amounted to S\$6,078,000.
- (ii) Determine whether the adjustment made on the assets and liabilities of the Group's aesthetic business in Taiwan classified as disposal group held-for-sale are fairly stated in view of the independent review and whether any further adjustments are required on the results of its operations presented as discontinued operations.
- (iii) Ascertain whether the completed independent review announced on 30 March 2020 would have an impact on the Group'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.

The matters (a) to (c) mentioned above have been included in the Bases for Disclaimer of Opinion paragraph on 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 2019, 2018 and 2017 dated 15 April 2020, 5 April 2019 and 3 April 2018 respectively.

Notwithstanding that assets and liabilities of iMyth Taiwan are classified as disposal group held-for-sale as at 31 December 2020 and that the goodwill from acquisition of iMyth China had been fully impaired during the financial year ended 31 December 2017, we were unable to obtain sufficient audit evidences to assess the impact of the independent review on the Group'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. We were also 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, and to determine whether the accompanying financial statements have been appropriately reported and presented.

***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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BEVERLY JCG LTD.  
(F.K.A JCG INVESTMENT HOLDINGS LTD.)  
(cont'd)**

***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 Meriana Ang Mei Ling.

**Nexia TS Public Accounting Corporation  
Public Accountants and Chartered Accountants**

**Singapore**

**14 June 2021**