# BEVERLY JCG LTD.

BEVERLY WILSHIRE
MEDICAL CENTRE
碧 薇 麗

A YEAR OF METAMORPHOSIS-

# PROGRESS ARISES FROM CHANGE

2022
ANNUAL REPORT

# Contents

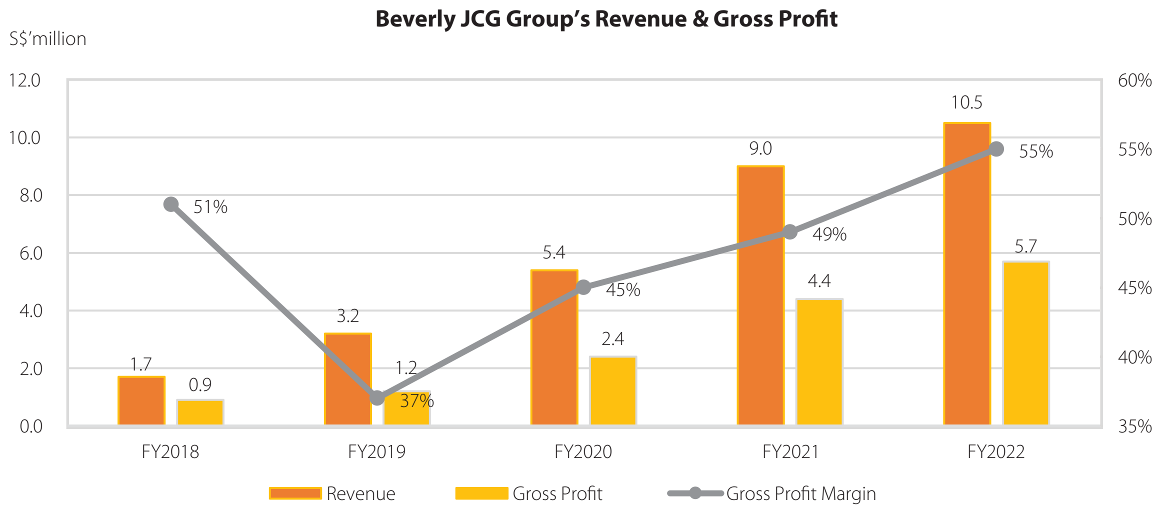


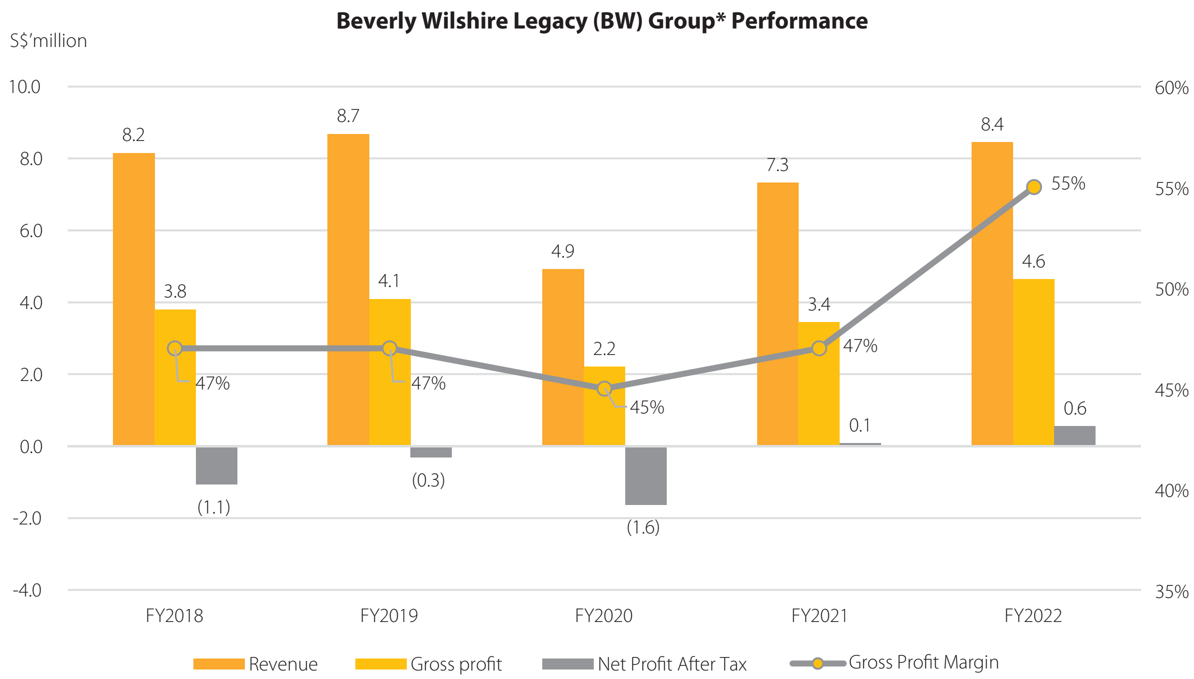
The Company has prepared this annual report, and the Company's Sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"), has reviewed its contents for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

This annual report has not been examined or approved by the SGX-ST, and the SGX-ST assumes 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 details of the contact person for the Sponsor are:–
Name : Mr Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited)
Address : 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906
Tel : (65) 6241 6626

# Financial Highlights




* *BW Legacy Group of companies consists 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., and Beverly Wilshire Medical Academic Research Centre Sdn.Bhd.*

** *Source: http:www.oanda.com – Converted at SGD 1.00 to RM3.33, 15 March 2023.*

# Chairman's Statement

**Dear Shareholders,**

On behalf of the Board of Directors of Beverly JCG Ltd. ("**BJCG**" or the "**Company**"), it is my pleasure to present to you the annual report of BJCG and its subsidiaries (the "**Group**") for the financial year ended 31 December 2022 ("**FY2022**").

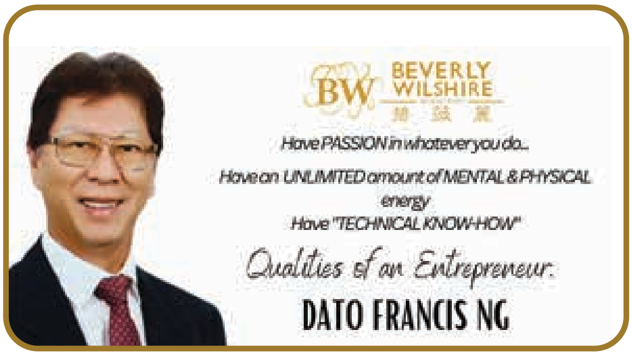
2022 was truly a remarkable year in Beverly JCG's history. Since the successful subscription of 735 million new ordinary shares on the SGX-ST in April 2022, we have shown accelerating momentum, taking significant steps forward to support our organization's ambition of becoming a household name in the medical aesthetics and healthcare community. Despite the unprecedented challenges presented by the pandemic, we persevered in elevating our industry profile and captivating the investment community with our ambitious plans for the future.

As such, we ended FY2022 with record revenue and double-digit growth across all our core business segments. With this success, we are well-positioned to further strengthen our foothold in the market and continue delivering superior services to our customers.

## 2022 by the numbers

Performance in 2022 was our strongest to-date across several metrics. Operational revenue reached S$10.51 million in FY2022, up from S$8.97 million in the previous year, as we gained greater market share in Malaysia. Gross profit increased by 31% to S$5.74 million, with a corresponding rise in gross profit margin from 49% to 55% over the past 12 months.

Our dynamic approach to cost management also yielded impressive results, with a 22% reduction in total comprehensive loss, contracting from S$2.85 million to S$2.23 million during the same period. Moving forward, we are committed to leveraging our strengths and seizing new opportunities to expand our reach and enhance our offerings.




## A new, more diversified Beverly JCG

Beyond sales and profit growth, there were many notable achievements across Beverly JCG in 2022. We redefined our customer acquisition strategy, establishing new, premium offerings that focused on the needs of local clientele in Malaysia. Our expanding pipeline of services propelled our business even as pandemic restrictions and border closures brought medical tourism to a standstill. Going forward, we believe this new diverse pool of customers will continue to contribute long-term value.

Our subsidiaries, Beverly Wilshire Group of Companies ("**BW Group**"), further consolidated its footprint in Malaysia. Currently, the BW Group runs two Ministry of Health Licensed Medical Centres and six Licensed Clinics across Kuala Lumpur, Klang Valley, Johor Bahru and Ipoh in Malaysia. Staffed with a team of 24 doctors and approximately 50 nurses across a total of 21 consultation rooms, 23 treatment rooms and 5 fully licensed operating theatres, the Group is fully equipped to provide surgical and aesthetic medical treatments, as well as inpatient services. Along with its 51%-owned subsidiaries, the Group employs a workforce of just over 133 staff.

As the "Beverly" brand grows in popularity, we are optimistic that it will open the doors to a number of exciting partnership and joint venture opportunities. This approach aligns with the Group's plan to expand through mergers and acquisitions in Singapore, Malaysia and Indonesia, Vietnam and China in the coming years.

# Chairman's Statement

### Doubling-down on our future

With the COVID-19 pandemic gradually coming under control, we have seen a resurgence in medical tourism in our key markets, signaling a return to normalcy. In the past, our clientele has comprised 40% to 45% of overseas customers, and we anticipate this trend to pick up once again in 2023.

In addition, we stand to benefit from the rise in acceptance of medical aesthetics in mainstream society. Thanks to advancements in medical technology, cosmetic procedures have become safer and less invasive. Social media and celebrity culture have also played an enormous role in broadening the definition of beauty. Today, people view dermatology as a form of self-care. This shift in thinking has driven a new wave of demand for plastic surgery treatments and aesthetic medicine, such as Botox and fillers, making them more accessible and affordable to the general public.

The Asia Pacific aesthetic medicine market is on the verge of a significant upswing, with Graphical Research forecasting a CAGR of 10.2%[1] for the industry, rising from US$3.9 billion in 2021 to US$7.7 billion by 2027. In Malaysia, the Malaysia Healthcare Travel Council (MHTC) is optimistic about the country's prospects, predicting that healthcare travel revenue could reach pre-pandemic levels by 2025 and bring in up to MYR 1.7 billion to the economy[2]. We believe the culmination of these emerging economic tailwinds will significantly boost our growth trajectory in the region. Furthermore, as a trusted destination for medical tourism, we are strategically positioned to address the increasing demands of this burgeoning market.

### Together, we achieve more

Looking back on 2022, we have every reason to be proud of our accomplishments. It was a milestone year that saw unparalleled success in preserving quality patient care and driving innovation in plastic and aesthetic medicine. We owe this success to the tireless efforts of our talented employees, the guidance of our visionary leadership team and the unrelenting support of our shareholders.

As we set our sights on the future, we are confident that our continued focus on innovation and customer-centricity will enable us to build a thriving brand that is synonymous with excellence in medical aesthetics and healthcare. At the core of our mission is a promise to consistently deliver safe, effective and high-quality services to our customers. We understand that our success is dependent on the satisfaction of our customers, and we are fully committed to meeting and exceeding their expectations. By prioritizing long-term value creation and customer satisfaction, we are confident that we will continue to achieve new heights in 2023 and beyond.

Last but not least, on behalf of the Board of Directors and Management, I would like to express our sincere gratitude to our valued stakeholders, esteemed clients, and trusted business partners for your enduring and steadfast support. I would also like to thank our doctors and employees for their hard work and dedication.

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

[1] https://www.graphicalresearch.com/industry-insights/1795/asia-pacific-aesthetic-medicine-market
[2] https://mhtc.org.my/wp-content/uploads/pdf/malaysia-healthcare-travel-industry-blueprint-2021-2025.pdf

# Business Segments

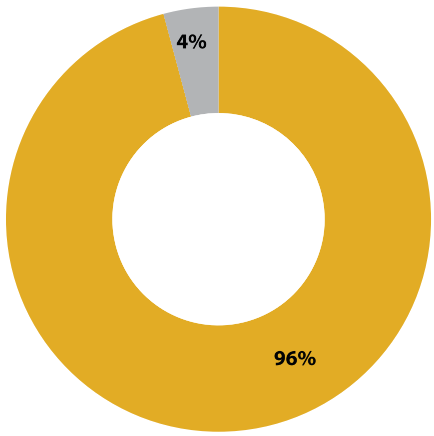
### Aesthetic Medical and Healthcare

The provision of aesthetic medical services comprises providing aesthetic medical, beauty, and wellness services.

### Trading and distribution

Group specialize in trading and distributing steel raw materials, consumables, instruments, and semi-finished products to steel mills, iron and steel foundries, and aluminum smelters in the Asia-Pacific region. Additionally, the Group provide ancillary services to support our clients' needs.

**Business Segment by FY2022 Revenue**




## Aesthetic Medical and Healthcare

**24 Professional Doctors**

Professional doctors across diversified medical specialisations such as cosmetic surgery, anesthetist, aesthetic practitioner, dental specialist, dermatologist, orthopedic surgeon, oral surgeon, immunologist and cardiologist.


**2 Medical Centres**

Medical centres are fully equipped with operating theatres for invasive cosmetic surgery and aesthetic medical treatments and wards for patients post surgery.

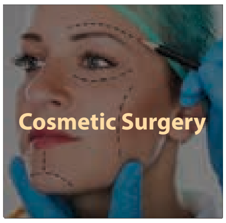
Each medical centre is also equipped with treatment rooms for minimal invasive and non-invasive treatments.


**6 Clinics**

Each medical centre is equipped with treatment rooms for minimal invasive and non-invasive treatments or MediSpa

# Business Segments

## Product And Services



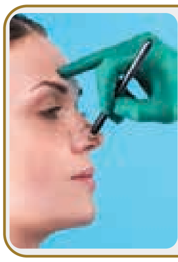

### Experienced & Board-certified

All surgeons and anaesthetist are registered under the National Specialist Register (NSR) Malaysia with a combined experience of over 75 years in the field of cosmetic surgery.

List of top procedures include:

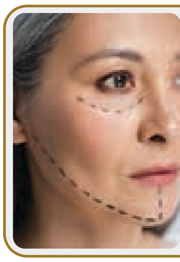
- Facelift
- Blepharoplasty
- Rhinoplasty
- Breast Augmentation
- Tummy Tuck
- Liposuction
- Hair Restoration

### Types of Procedures



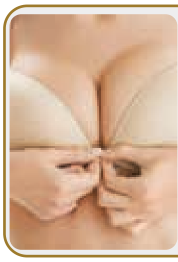
**Rhinoplasty**

Enhance and alter the size, shape and angle of your nose or correct structural problems with the nose that cause chronic congestion and breathing problems.



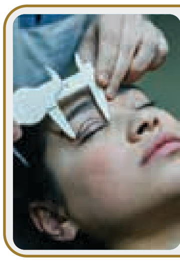
**Face Lift**

Removes or reduces the appearance of wrinkles and sagging of the face caused by age.



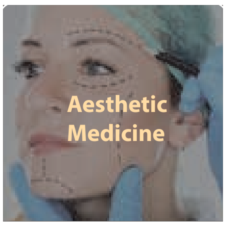
**Breast Augmentation**

Enhance and to correct various facets of body contours. FDA-approved (U.S. Food and Drug Administration) silicone gel-filled breast implants.



**Blepharoplasty (Eyelid Surgery)**

Cosmetic eye surgery for double eyelids, drooping eyelids, elongating eyes, etc.




### Fully Licensed & Accredited

Beverly Wilshire Medical Centre is a fully-integrated licensed medical centre by the Ministry of Health (MOH) Malaysia providing high-quality treatment accessible to as many people as possible.

Top Procedures:

1. Pico Laser
2. CO2 Lasers
3. Thermage
4. Botulinum Toxin (Botox)
5. Fillers
6. Skin Boosters
7. Lasers
8. Thread Lift
9. Fat Reduction
10. Hair Loss Treatment

### Aesthetic Medicine

Injectables

Fillers

Skin Boosters

Platelet Rich Plasma (PRP)

Laser

### Skin Tightening Therapy

Thermage

Ultherapy

Thread Lift

Exilis

### Weight & Fat Reduction

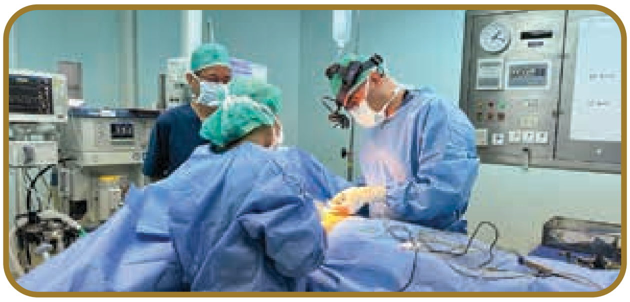
Fat Reduction Therapy

Weight Management

### Hair Treatment

Hair Loss Treatment

# Operations and Financial Review



## REVIEW OF GROUP'S FINANCIAL PERFORMANCE

### Revenue

The Group's Aesthetic Medical and Healthcare segment recorded a revenue of S$10.07 million in FY2022, representing a S$1.27 million or 14% increase as compared to S$8.80 million in FY2021. The revenue increase was mainly attributed to a hike in products and services pricing and the return of medical tourism at its Beverly Wilshire Medical Centres.

Despite the operational challenges posed by COVID-19 restrictions, the Beverly Wilshire Group of Companies in Malaysia, which accounted for approximately 96% of the Group's revenue during FY2022, has rebounded and delivered its best financial performance since its inception in 2012.

Of the total revenue growth in FY2022, S$8.73 million is attributed to the Beverly Wilshire legacy Group of Companies. The Natasha Beverly Group contributed S$1.34 million in revenue for FY2022, marking an increase from S$0.96 million in FY2021. The Group's revenue growth can be attributed to the growing demand for healthcare and wellness services in the vicinity of its wellness centres.

The Group's Trading and Distribution segment recorded a revenue of S$0.44 million for FY2022, which represents a 154% year-on-year increase compared to S$0.17 million in FY2021.

Overall, the Group's total revenue for FY2022 climbed to S$10.51 million, an increase of 17%, compared to total revenue of S$8.97 million in FY2021.

### Operating Result

The Group's gross profit increased by 31% from S$4.37 million in FY2021 to S$5.74 million in FY2022. The increase was mainly due to increase in revenue in the Aesthetic Medical and Healthcare segment.

Other income fell by S$0.50 million, from S$0.65 million in FY2021 to S$0.15 million in FY2022. The decrease in other income is a result of the absence of gain on modification of lease and government grants received under the jobs support scheme.

Other losses, net rose by S$0.09 million, from S$0.07 million in FY2021 to S$0.16 million in FY2022, mainly due to the provision of loss allowances on trade receivables.

Selling and distribution expenses increased by S$0.06 million, from S$0.20 million in FY2021 to S$0.26 million in FY2022. The rise in marketing expenses was spurred on by the Group's increased activities in search engine optimization and social media marketing in FY2022.

Administrative expenses for FY2022 rose by 2% from S$7.49 million in FY2021 to S$7.66 million in FY2022. The costs were primarily operational in nature, comprising of staff costs as well as professional fees. More specifically, our subsidiary, the Beverly Wilshire Medical Centre Group was compelled to increase administrative expenses in order to retain staff who were in high demand during the COVID-19 recovery period.

Finance expenses fell by S$0.03 million, from S$0.28 in FY2021 to S$0.25 million in FY2022. The decrease was attributed to interest expenses on lease liabilities.

Income tax credit increased by S$0.02 million, from S$0.16 million in FY2021 to S$0.18 million in FY2022. The increase is due to income tax credit arising from deferred tax liabilities from fair value adjustments to intangible assets and property, plant and equipment in the Beverly Wilshire Group of Companies.

As a results of the above, the Group's total comprehensive loss decreased by 22% to S$2.23 million in FY2022, compared to S$2.85 million in FY2021.

* *Figures may differ as it is rounded to 1 decimal place.*

** *Source: http: www.oanda.com – Converted at SGD 1.00 to RM 3.33, 15 March 2023.*

# Operations and Financial Review

## REVIEW OF GROUP'S FINANCIAL POSITION

### Assets and Liabilities

Assets

Total assets of the Group decreased from S$8.32 million as at 31 December 2021 to S$7.38 million as at 31 December 2022. The decrease was mainly due to:

- Decrease in property, plant and equipment from S$5.02 million as at 31 December 2021 to S$4.52 million as at 31 December 2022. The decrease was primarily caused by equipment depreciation in the Beverly Wilshire Medical Centre Group, which amounted to S$1.53 million. However, this decrease was partially mitigated by purchases of property, plant and equipment, which contributed S$0.22 million;

- Decrease in intangible assets from S$1.05 million as at 31 December 2021 to S$0.67 million as at 31 December 2022 due to the amortisation of intangible assets of S$0.38 million during the financial year ended 31 December 2022;

- Decrease in trade and other receivables of S$0.11 million, from S$0.92 million as at 31 December 2021 to S$0.81 million as at 31 December 2022 mainly due to the provision of loss allowances on trade receivables.

Liabilities

Total liabilities rose by S$0.23 million from S$8.27 million as at 31 December 2021 to S$8.50 million as at 31 December 2022. The increase was mainly due to:

- Increase in borrowings of S$0.64 million mainly arising from an increase in loans from shareholders of S$0.91 million and a bank overdraft of S$0.33 million. However, this was offset by a decrease of S$0.22 million in bank term loan, and a decrease of S$0.38 million in invoice financing.

- Increase in lease liabilities of S$0.24 million for our offices and medical centres; and

- Offset by a decrease in deferred income tax liabilities of S$0.18 million due to the recognition of a deferred tax credit resulting from fair value adjustments made to the intangible assets and property, plant and equipment of Beverly Wilshire Medical Centre Group in Malaysia during the financial year ended 31 December 2022; and

- Decrease in trade and other payables of S$0.47 million due to a decrease in advances received from customers of S$1.07 million and accruals for operating expenses of S$0.43 million. This decrease was partially offset by an increase in trade and other payables of S$1.03 million.

Working Capital

The Group and the Company incurred a total loss of S$2.25 million (2021: S$2.86 million), and S$1.75 million (2021: S$1.90 million), respectively. In addition, the Group incurred net operating cash outflows of S$1.05 million (2021: S$0.68 million) for the financial year ended 31 December 2022. As at 31 December 2022, the Group's current liabilities exceeded its current assets by S$3.45 million (2021: S$3.84 million).

# Operations and Financial Review

The Company's Board of Directors have determined that the use of the going concern assumption is appropriate in preparing the financial statements for the financial year ended 31 December 2022 after taking into consideration the following assumptions and measures:

i. On 23 August 2022, the Company received a financial support undertaking letter from Dato' Ng Tian Sang @ Ng Kek Chuan, whereby he will undertake, for as long as he is a substantial shareholder of the Company, to provide continuing financial cash flow support to the Group to enable it to continue its operations as a going concern and to meet its liabilities as and when they fall due for the next 18 months.

ii. In August 2022, the Company entered into Advance Agreements with Lee Heuk Ping, Yap Mee Lee, and Dato' Ng Tian Sang @ Ng Kek Chuan. In October 2022, similar agreements were made with Ong Chee Koen and Pang Tee Nam. Under these agreements, the Lenders have agreed to provide unsecured interest-bearing loans totalling S$915,000.

    The loans are to be repaid by the Company within 18 months from the date of the respective Advance Agreements, with an option for the Company and the respective Lenders to extend the repayment date for another 6 months. The Company is able to repay the above loans on their respective repayment dates.

iii. On 24 August 2022, the Company entered into a service agreement with 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 Ipoh Sdn Bhd, Beverly Dentistree Sdn Bhd, Natasha Beverly Sdn Bhd, Natasha Beverly Dental Sdn Bhd, Natasha Beverly Mizu Sdn Bhd and Natasha Beverly Aesthetics Sdn Bhd. ("**BW Malaysia Entities**"). Under the agreement, the BW Malaysia Entities shall pay the Company an aggregate of S$300,000 as service fees for the management services provided from July 2022 to December 2023.

iv. The BW Malaysia Entities have confirmed in writing to the Company that they do not require any additional operating funding from the Company to continue operations for the next 18 months.

v. The improved financial performance of the Aesthetic Medical and Healthcare segment in Malaysia is expected to continue.

    Despite the challenges of operating under COVID-19 restrictions, the Beverly Wilshire legacy Group of Companies in Malaysia has turned around and delivered its best financial performance since its founding in 2012. During FY2022, the Beverly Wilshire group of companies in Malaysia contributed about 96% of the Group's revenue. The Aesthetic Medical and Healthcare segment played a significant role in this achievement, with revenue increasing by 14% to S$10.07 million in FY2022 from S$8.80 million in FY2021.

    Due to the border closure measures undertaken by the Malaysian government during the COVID-19 pandemic, the above was achieved primarily through the domestic market. Typically, the Group's overseas business contributes approximately 40% to 45% of the total Group revenue. However, with Malaysia opening its doors to tourism on 1 April 2022 after more than two years of closure, the Group is now experiencing an inflow of foreign clients from Australia, New Zealand, and Singapore. This influx of clients has benefited the Group's Aesthetic Medical and Healthcare segment, which recorded a 14% increase in revenue to S$10.07 million in FY2022 from S$8.80 million in FY2021.

    The Company is intending to make further acquisitions, which, if and when completed, are expected to generate additional revenue and profits for the Group, support the Group's cashflow, and ensure that the Group can continue to operate as a going concern.

iv. The Group intends to conduct various corporate exercises to improve the Group's fundings, net tangible assets position and improve its shareholders' equity.

# Board of Directors

From L-R: 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

## Mr. Yap Siean Sin

*Independent Non-Executive Chairman*

Mr. Yap Siean Sin was appointed as an Independent Director of the Company on 27 June 2017. He was subsequently re-designated as an Independent Non-Executive Chairman of the Company on 1 January 2023. Mr. Yap holds post-graduate qualifications in architecture as well as in town planning. Mr. Yap has extensive experience as a consultant architect and town planner, and also in the business management of numerous construction and property development projects in Malaysia, Singapore and the People's Republic of China. He is a corporate member of the Royal Institute of British Architects, the Malaysian Institute of Town Planners, the Malaysian Institute of Architects, and the British Institute of Interior Design, and is also 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 in Aberdeen, UK and a Post Graduate Diploma in Town Planning from the University of Westminster in London, UK.

# Board of Directors

## Dato' Ng Tian Sang @ Ng Kek Chuan

*Deputy Chairman and Chief Executive Officer*

Dato' Ng Tian Sang @ Ng Kek Chuan was appointed as Non-Executive Chairman of the Company on 29 November 2019. He was subsequently appointed as Executive Chairman and Chief Executive Officer of the Company on 1 June 2020. On 1 January 2023, he was re-designated to Deputy Chairman and Chief Executive Officer of the Company. Dato' Ng oversees the overall management of the Group's business. He also leads the strategic review of the Group's business as well as the implementation of the future plans of the Group as approved by the Board. Dato' Ng is a member of the Malaysian Institute of Accountants (MIA), a member of the Certified Public Accountants (CPA Australia), and a member of the Australian Institute of Company Directors (AICD). He is also the International Honorary President of the Western Australian Chinese Chamber of Commerce (WACCC). Dato' Ng launched his career after acquiring his Bachelor of Commerce degree from the University of Western Australia in 1971. Dato' Ng previously held positions 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 the Real Estate and Housing Developers Association (REHDA) (1997-1999). Dato' Ng also served as Executive Deputy Chairman of Midwest Corporation Ltd. (2006-2010) and Senior Independent Non-Executive Director of Tropicana Corporation Bhd. (2011-2015).

## Dr. Lam Lee G

*Lead Independent Director*

Dr. Lam Lee G was appointed as an Independent Director of the Company on 14 May 2018. He was subsequently appointed as Lead Independent Director of the Company on 1 June 2020. Currently Dr. Lam is Chair of the United Nations Economic and Social Commission for Asia and the Pacific Sustainable Business Network (ESBN). He started his career in Canada at Bell-Northern Research (the research and development arm of Nortel) and Bell Canada, and later in Hong Kong at Hong Kong Telecom. He later joined Singapore Technologies Telemedia (then part of Temasek Holdings), and moved on to BOC International Holdings (the international investment banking arm of the Bank of China group) where he served as Managing Director, 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 was Chairman – Hong Kong and ASEAN Region and Senior Adviser – Asia, of Macquarie Capital, Non-Executive Chairman – Greater China and ASEAN Region and Chief Advisor – Asia, of Macquarie Infrastructure and Real Assets, and Senior Advisor, Macquarie Group Asia.

Dr. Lam holds a BSc in Sciences and Mathematics, an MSc in Systems Science and an MBA all 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. 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, including Property Development, Fast-Moving Consumer Products (FMCG) and Information Technology. He holds a Bachelor's degree in Economics from the University of Western Australia.

## 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. He is also an independent director of Atlantic Partners Asia (a MAS-licensed major payment institution in Singapore), a director of Brickstone (a technology company in Singapore focus on supply chain financing in Asia) and a director with Gathercare Singapore (a peer-to-peer (P2P) medical sharing platform founded in Malaysia). Mr. Cheung brings over 20 years of professional experience in insurance and actuarial science, enterprise risk management (ERM), business consultancy, fund management and financial technology (fintech). He is the founder and Chief Executive Officer with Alpha Millennia Technology providing digital microloan and micro-insurance solutions to SMEs and Micro-SMEs via cooperative networks in South-East Asia since 2021. In June 2022, Mr. Cheung was appointed as a Portfolio Manager with Lucerne Asset Management managing a variable capital company (VCC) fund with a focus on environmental, social and governance (ESG) investments in South-East Asia. Mr. Cheung is also a business advisor/consultant to several fintech companies in Asia including ECXX (a licensed digital asset exchange in Singapore), Delta Underwriting Singapore (a Lloyd's coverholder head-quartered in New Zealand) and OneDegree (a licensed digital insurer in Hong Kong). From 2016 to 2018, Raymond was the regional insurance lead with Grab Holdings whom he pioneered and structured the digital insurance solutions in 8 ASEAN countries. Before that, he was the Regional Chief Risk Officer for AIG Asia Pacific and Asia Capital Reinsurance overseeing the enterprise risk management (ERM) implementation in Asia.

Mr. Cheung is a professional trainer/speaker on multiple topics including ERM, actuarial, risk-based capital (RBC), cyber risk management, AML/CFT regulations, personal data protection, fund management, ESG and sustainability as well as emerging technology (including blockchain, AI and machine learning) modules. He is a part-time lecturer in several institutions including Singapore College of Insurance, Nanyang Technological University, Singapore Management University and ESSEC Business School in Singapore. Mr. Cheung holds a Bachelor of Business (Actuarial Science major) from Nanyang Technological University. He is an associate member of the Institute & Faculties of Actuaries, UK and an associate member of the Singapore Actuarial Society.

# Executive Officer

**Ms. Toh Chiew Khim, Phyllyst**

*Chief Financial Officer*

Ms. Toh Chiew Khim, Phyllyst joined our group on 24 June 2022 and is our Chief Financial Officer. She is responsible for the Group's financial and management accounting, treasury, taxation and other corporate and regulatory compliance matters.

Before joining the Group, Ms. Toh was the Chief Financial Officer of Sanli Environmental Limited from 2016 to 2020, an environmental engineering company in the field of water and waste management listed on the Catalist board of the SGX-ST. Prior to that, she served for 13 years as Group Financial Controller and Chief Financial Officer at Tiong Woon Corporation Holding Ltd., a leading integrated heavy lift specialist and services provider listed on the mainboard of the SGX-ST.

Ms. Toh graduated with a Diploma in Business Studies from Ngee Ann Polytechnic and subsequently attained a Fellowship from the Association of Chartered Certified Accountants (FCCA). She is a fellow of the Institute of Singapore Chartered Accountants (ISCA).

# Corporate Information

**BOARD OF DIRECTORS**

**Mr Yap Siean Sin**
*Independent Non-Executive Chairman*

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

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

**Dr Lam Lee G**
*Lead 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
Mr Cheung Wai Man, Raymond

**NOMINATING COMMITTEE**

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

**RISK MANAGEMENT COMMITTEE**

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

**REGISTERED OFFICE**

160 Robinson Road
#05-08 SBF Centre
Singapore 068914
**T** (65) 6708 7630
**E** ir@jcg-investment.com
**W** www.beverlyjcg.com

**COMPANY SECRETARIES**

Ms Ong Beng Hong
Ms Tan Swee Gek

**SHARE REGISTRAR**

**Boardroom Corporate & Advisory Services Pte. Ltd.**
1 Harbourfront Avenue
Keppel Bay Tower, #14-07
Singapore 098632

**INDEPENDENT AUDITOR**

**RT LLP**
Public Accountants and Chartered Accountants
70 Shenton Way #07-15
Eon Shenton
Singapore 079118

Partner-in-charge: Ms Heng Sot Leng
Year of appointment: Financial Year ended 31 December 2022

**SPONSOR**

**Evolve Capital Advisory Private Limited**
138 Robinson Road
Oxley Tower
#13-02
Singapore 068906

# Sustainability Report



The Company has prepared this sustainability report, and the Company's Sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"), has reviewed its contents for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

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

The details of the contact person for the Sponsor are:–
Name: Mr Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited)
Address: 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906

# Board's Statement

We are pleased to present the annual Sustainability Report of Beverly JCG Ltd ("**BJCG**" or the "**Company**" and, together with its subsidiaries, the "**Group**") for our financial year ended 31 December 2022 ("**FY2022**"). The Sustainability Report covers information for the Group's operating segments, the medical aesthetic segment and trading and distribution segment.

Sustainability is a part of the Group's wider strategy to create long-term value for all its stakeholders. As such, the key material economic, environmental, social and governance ("**EESG**") factors for the Group have been identified and judiciously reviewed by the management.

The data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy of data and information. We will consider external assurance in the future. The Board of Directors (the "**Board**") oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group's strategic direction and policies.

## REPORTING FRAMEWORK, PERIOD AND SCOPE

This report is prepared in compliance with the requirements of Rules 711A and 711B of the SGX Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and references the phased approach as described in Practice Note 7F: Sustainability Reporting Guide of the Catalist Rules and with reference to the Global Reporting Initiative ("**GRI**") Standards 2021. We have chosen GRI as the sustainability reporting framework as it is internationally recognised and is widely adopted, enabling us to achieve a comprehensive and comparable disclosure of economic, environmental, social and governance performance. This report highlights the EESG related initiatives carried throughout a 12-month period, from 1 January to 31 December 2022 ("**FY2022**").

The Company's sustainability report summarises the expectations of various stakeholders, the general business environment that the Group is operating in and what the Group has done in order to ensure the sustainability of the Group over the years. The Board demonstrates to stakeholders our commitment to sustainability reporting steadfastly. In this view, we have subjected our sustainability reporting processes to an internal review.

The information disclosed in this Sustainability Report will provide the reader with a holistic view of the operations of our Group. We will strive to maintain and/or improve the standards of the various EESG factors reported where appropriate and practicable, in accordance with the business activities of the Group in the future.

We recognise the importance of aligning with the Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations, identifying and addressing climate-related risks and opportunities for our business sustainability. By disclosing this information, our stakeholders will be better informed of the Group's sustainability. We will align with TCFD recommendations in the coming years as we increase our understanding of the risks and opportunities.

## FEEDBACK

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems, and results. Please send your comments and suggestions to ir@jcg-investment.com.

On behalf of the Board,

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

13 April 2023

# Approach to Sustainability

## OUR SUSTAINABILITY METHODOLOGY


## STAKEHOLDER ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our 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. We adopt both formal and informal channels of communication to understand the needs of key stakeholders and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

| Stakeholders | Engagement Platforms | Frequency of Engagement | Key Concerns Raised |
|---|---|---|---|
| **Employees** | Open dialogue | Ongoing | Fair remuneration, compensation, and benefits<br>Workplace safety |
| **Supplier and service providers** | Background review and assessment<br>Face to face meetings<br>Discuss terms and conditions to meet the same expectations | Ongoing | Receipt of timely payments<br>Quality of products |
| **Government and regulators** | Regular reports<br>Medical licensing and compliance | As appropriate | Regulatory compliance<br>Timeliness of reporting |
| **Investors/Shareholders** | Results announcements<br>Annual report<br>Annual general meeting<br>Shareholder engagement | Quarterly<br>Annually<br>Annually<br>As appropriate | Growth strategy and future plan |
| **Customers** | Social media<br>E-mail queries<br>Face to face business transactional engagements | Open dialogue | Receipt of timely payments<br>Quality of products and services<br>Customer satisfaction |

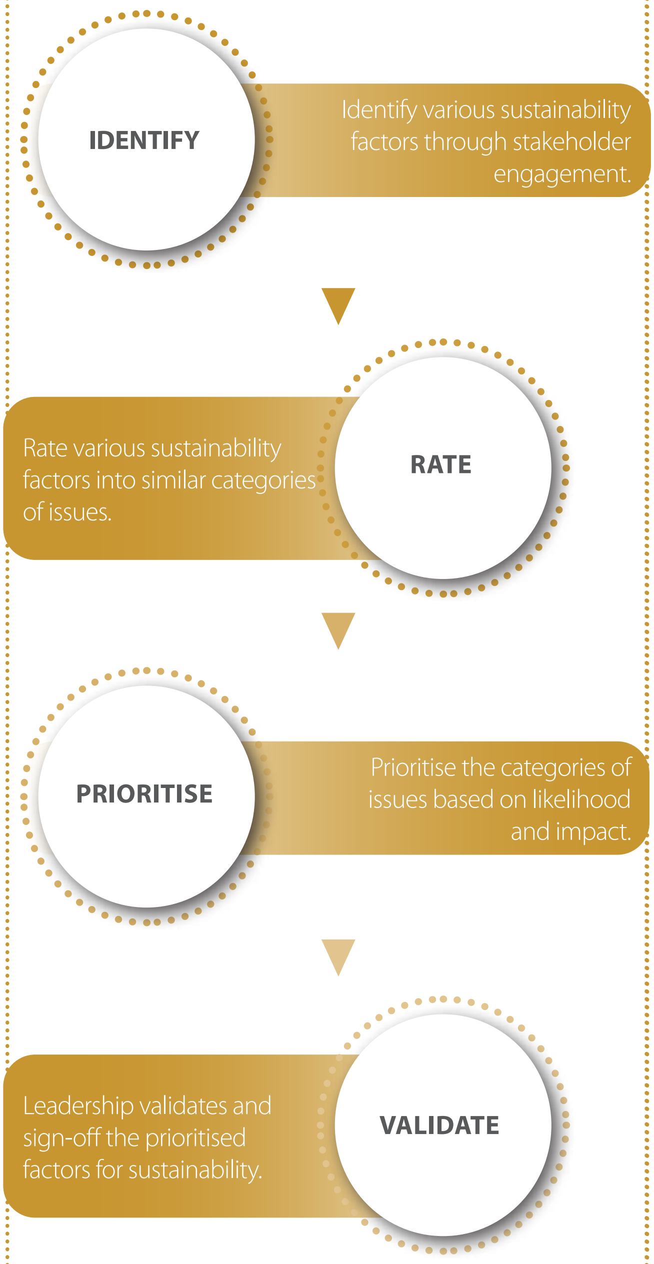
# Approach to Sustainability

## MATERIALITY ASSESSMENT

Our sustainability process begins with the identification of various sustainability factors. These factors were then rated and clustered into similar categories of issues. These categories are then prioritised according to its likelihood and impact. Finally, these factors are signed off by the leadership and disclosed in the Sustainability Report. The identified material factors are described in the respective sections. A brief description of our sustainability process is shown below:

We engaged our employees from various departments to seek our internal stakeholders' feedback on the prioritisation of these topics. A materiality review on each of the four steps is conducted annually by the Board, incorporating inputs gathered from stakeholders' engagements.

In order to determine if a factor is material, we assess its potential impact on the economy, environment, society, and its influence on the stakeholders. In identifying material EESG factors, we have also considered both risks and opportunities. Applying guidance from GRI, we have identified the following as our material factors:




**BJCG MATERIAL EESG FACTORS FY2022**

**ECONOMIC**

Economic Performance
Anti-Corruption

**ENVIRONMENTAL**

Supplier Environmental Assessment

**SOCIAL**

Diversity and Fair Employment
Training and Education
Local Communties

**GOVERNANCE**

Corporate Governance
Code of Conduct
Risk Management

# Economic

## ECONOMIC PERFORMANCE

At BJCG, we understand the importance of operating in a sustainable and responsible manner. Our focus on economic performance is not only critical to our long-term success, but also essential to our ability to deliver value to all of our stakeholders.

BJCG firmly believes that focus on financial sustainability is critical, and we are fully committed to the highest standards of corporate governance. The company's basic principle is that long-term profitability and shareholder value is ensured by taking into account the interests of stakeholders, such as shareholders, employees, suppliers, and society as a whole.

We are dedicated to pursuing sustainable growth while managing risks and creating value for all stakeholders. Through our ongoing efforts to improve our economic performance, we are confident that we can continue to build a strong and sustainable business that delivers value over the long term.

For detailed financial results, please refer to the following sections in this Annual Report:

- Operations and Financial Review, pages 6 to 8
- Financial Statements, pages 52 to 139

## ANTI-CORRUPTION

BJCG is committed to taking responsibility and playing a part in fighting corruption by conducting our business in an ethical manner. We expect a lawful and ethical behaviour from all employees and business partners which prohibits any form of bribery and corruption. In FY2022, there was no incident of corruption during FY2022 (FY2021: Nil), and we have achieved our target. We also target to maintain zero incidents of corruption in FY2023.

### Whistle-blowing Policy

Our Group has 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. We have also set up a dedicated email address (report@jcg-investment.com) for reporting purposes to which access is restricted to the Chairman of the Audit Committee ("**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. Our whistle blowing policy provides a mechanism for employees and external parties to report concerns over alleged wrongful acts. There were no whistle blowing cases in FY2022 (FY2021: Nil) and we have attained our target. We aim to have no instance of whistleblowing cases throughout FY2023.

# Environment

BJCG's direct environmental impact is limited as we do not have any manufacturing operations. Nevertheless, we will always strive to avoid and to further reduce any negative environmental impact, whenever possible. The Group sources and buys end products from companies which are environmentally friendly. If there are any new product launches, we will perform rigorous checks on the upstream suppliers to ensure that they meet our requirements and they are aligned to our Group's environmental objectives.

## SUPPLIER ENVIRONMENTAL ASSESSMENT

BJCG will continue to reduce its environmental impact and to encourage its stakeholders, such as suppliers and trading partners, to meet the same expectations. The Group also performs periodic supplier assessment on their vendors to check that they are providing high quality and green products.

For our medical aesthetic business and trading and distribution business, the Group performs an annual evaluation on the suppliers considering background review and assessment, online meetings and discussion of terms and conditions to meet the same expectations. Our evaluation in FY2022 comprised:

1) Evaluating potential medical device suppliers, getting them to implement effective controls;
2) Selecting the most suitable suppliers with high delivery performance and quality products;
3) Having reliable partners and comprehensive portfolio of services along the value chain; and
4) Ensuring that all products were registered with Kementerian Kesihatan Malaysia (Ministry of Health, Malaysia).

The top three suppliers for medical products to the Group in FY2022 were:

| No. | Supplier's Name | Materials supplied | Supplier's Assessment |
|---|---|---|---|
| **1** | DKSH Holdings (Malaysia) Bhd. ("**DKSH**") | Drugs, Medication, Aesthetic products such as botox, filler, facial threads | DKSH has in place a comprehensive sustainability framework on initiatives covering economic, environmental and social perspectives.<br><br>Sustainability Statement – DKSH Annual Report FY2021 – There are no incidents of non-compliance with environmental laws and regulations in FY2021 for DKSH. |
| **2** | Zuellig Pharma ("**ZP**") | Drugs, Medication, Hospital Consumables such as gauze, syringes, sutures | The Zuellig Pharma Sustainability Policy was established in 2020 to communicate their vision and key sustainability commitments.<br><br>Zuellig Pharma Sustainability Report 2021 – In 2021, ZP did not incur any fines and nonmonetary sanctions for noncompliance with environmental laws and/or regulations in any of their markets. |
| **3** | Everteam Sdn Bhd ("**Everteam**") | Mentor breasts implants, owned by Johnson & Johnson ("**J&J**") | As the world's largest healthcare company, Mentor's brand owner Johnson & Johnson's sustainability approach means generating social, environmental and economic value for all of their stakeholders.<br><br>J&J 2022 Annual Report – J&J is subject to a variety of U.S. and international environmental protection measures. It believes that its operations comply in all material respects with application laws and regulations. |

# Environment

Top supplier for metal products of the Group in FY2022 was:

| No. | Supplier's Name | Materials supplied | Supplier's Assessment |
|---|---|---|---|
| 1 | Wogen Resources Ltd. ("**WRL**") | Nitrogen Vanadium | WRL website – Environmental Policy – WRL recognises that in order to be a successful and valued partner to its customers and stakeholders, business must be conducted in a sustainable manner. This means that, in addition to operating a business that delivers good commercial value in fulfilling customer objectives, WRL must be sure that its services are delivered in a way that does not threaten the ability of future generations to enjoy these same amenities. |

Similar to FY2021, we have worked with the right partners who are environmentally conscious and will embark on the journey with us towards a more sustainable business in FY2022. We have achieved our target in FY2022. This shall be our business practice and target for FY2023 as well as we want to work with the right partners who are environmentally conscious and will journey with us towards a sustainable long-term business.

# Social

We are aware of heightened concern regarding human rights. UN Guiding Principles on Business and Human Rights (UNGPs) guide companies to prevent, address and remedy human rights abuses committed in business operations under its three pillars, Protect, Respect and Remedy.

At present, we are increasing our understanding of Human Rights issues. We hold internal dialogues with our employees and suppliers about the issue. While educating ourselves, in FY2022, we strive to prevent any adverse incidents associated with Human Rights in our business operations.

Aside from leveraging our Group's code of conduct to guide ourselves and embed respect across our operations, we target to train our employees' of the issue in FY2023.

## DIVERSITY AND EQUAL OPPORTUNITY

### Board Diversity

BJCG understands and believes that a diverse Board will help improve the overall performance and operation capability of the Company.

Diversity on the Board enhances decision-making capability, and a diverse Board is more effective in dealing with organisational changes. Additionally, diversified views enhance Board discussions and ensure that the decisions made by the Board have been considered from all points of view.

The Nominating Committee (the "**Committee**") reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors.

- In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described in this Policy, in order to maintain an appropriate range and balance of skills, experience and backgrounds on the Board.
- In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
- The Committee will consider the balance of skills, experience, independence and knowledge of the Company on the Board and the diversity representation of the Board.

Please refer to our Corporate Governance Report on pages 32 to 33 for information on Board Diversity.

We embrace diversity, and at the same time expect all officers and employees to be aligned with the Group's vision and strategic initiatives. The age of our employees ranged from 22 to 76 years old in FY2022 (FY2021: 26 to 75 years old). The ratio of male to female employees in FY2022 was almost 1:3 (FY2021: 1:3).

The total number of employees in the Group was 120 in FY2022 (FY2021: 129).

Our hiring is based on manpower requests and all hiring requires our Deputy Chairman/CEO's approval. Our remuneration package is competitive within the healthcare industry. Appraisals and key performance indicators ("**KPIs**") are implemented for performance review. Our employees consist of people coming from different nationalities and academic qualification and we strive for fair treatment of all our employees.

The Group typically holds a range of activities to foster team building amongst our employees such as World Nurse Day, festive celebrations and birthday celebrations. However, these have been temporarily halted in FY2021 as no external events and large gatherings were allowed due to the COVID-19 pandemic and the COVID-19 restrictions. Nevertheless, we maintain staff interaction via zoom meetings for staff as well as social media such as group chats such that all staff members are constantly engaged and kept abreast of happenings within the Group.

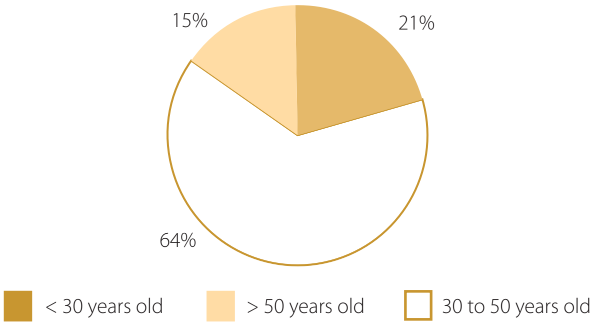
Similar to the past, we have provided competitive remuneration and benefits to our employees. We also ensured that our employees' health and safety are safeguarded against any potential workplace hazards. In addition, all hirings within the Group was based on related skills, experiences, and qualifications. We strive for fair employment practices and zero workplace discrimination regardless of race, religion, or gender. There was also no workplace accidents reported (FY2021: Nil). We have achieved our target in FY2022.

In FY2023, we look forward and are committed to providing competitive remuneration and benefits to our employees. We are also committed to safeguarding our employees' health and safety against any potential workplace hazards. In addition, all hirings within the Group will be based on related skills, experiences, and qualifications. We strive for no workplace accidents in FY2022. We continue to strive for fair employment practices and zero workplace discrimination regardless of race, religion, or gender.

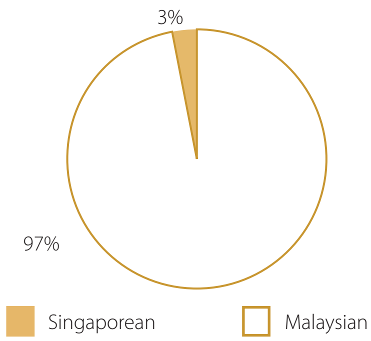
# Social

## Our Headcount Distribution in FY2022

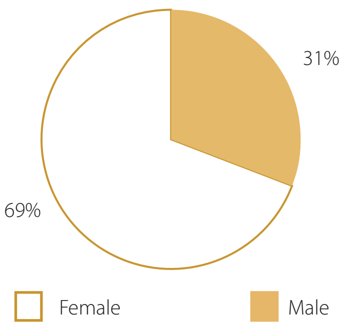
### Age




### Nationality

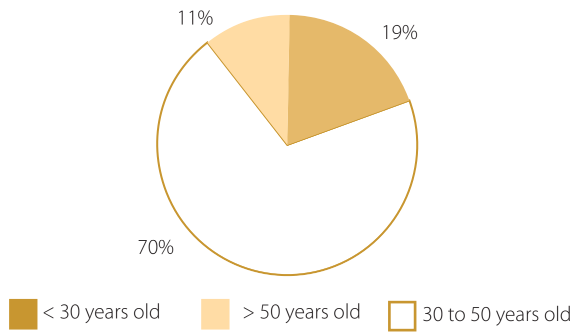



### Gender

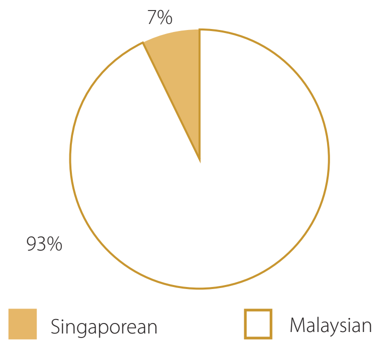



## Our Headcount Distribution in FY2021

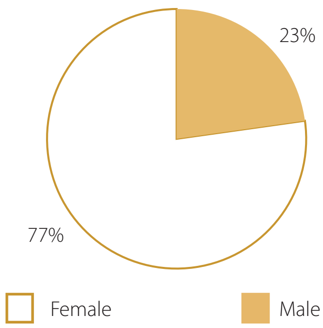
### Age




### Nationality




### Gender




## TRAINING AND EDUCATION

To achieve our sustainability goals, we understand that it is essential to educate and train our employees. We are committed to providing ongoing learning opportunities to help our employees develop the skills and knowledge necessary to support our business continuity. In FY2022, our workforce attended 383 total training hours, or 3.2 average training hours per employee in total.

In FY2022, we monitored the trainings provided to our staff and ensured that each employee will attend at least one training per year. In addition to mandatory continuous medical and technical training as required for the medical staff, we managed to provide continuous support to upgrade the skills and knowledge of our staff in the area of customer service, sales and management. In FY2023, we are committed to seek and identify relevant courses and seminars for our staff to attend and participate in.

# Social

The trainings attended by the staff include:

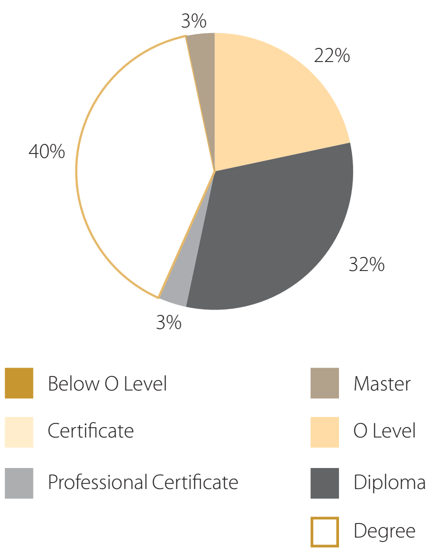
1. 5 Minute Briefing: New Normal Life In 2022- COVID 19 Update Info from Web, MOH)
2. Basic Life Support
3. BWMCKL Pre- Operative Guidelines (Revision)
4. Out Patient Service And Treatment
5. PCA Top Up & Medication Prescription
6. Post Op Care After GA
7. Drug & Alcohol Abuse
8. Staff Orientation & Introduction to Employees and Management
9. General HR New Employees Briefing
10. Drug & Alcohol Abuse
11. Discussion On Leave & Time Off Management

We have achieved our target In FY2022.

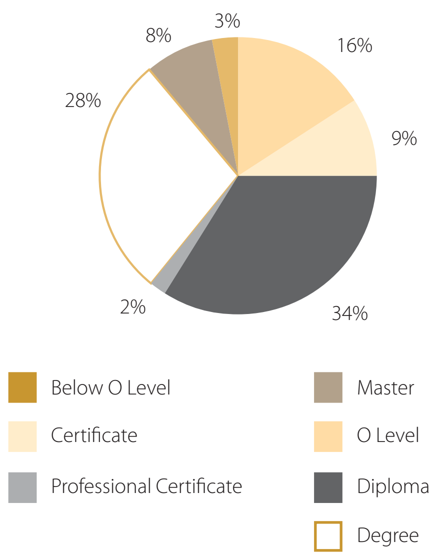
For FY2023 we will monitor the trainings provided to our medical staff and will ensure that each employee will attend at least two trainings per year, in particular 20 Continuing Professional Development ("**CPD**") points are required each year as prescribed by the Malaysian Medical Academy for Doctors to renew their Annual Practicing Certificate ("**APC**") and 24 CPD points are required each year as prescribed by the Malaysian Nursing Board for Nurses to renew their APC.

In addition to mandatory continuous medical and technical training as required for the medical staff, we are committed to providing continuous support to upgrade the skills and knowledge of our staff in the area of technical training, especially on nursing department, soft skills training in customer services and sales and management training. We will seek and identify relevant courses and seminars for our staff to attend and participate in.

**Qualification Breakdown FY2022**




**Qualification Breakdown FY2021**



# Social

## LOCAL COMMUNITIES

The Group is committed to serving and giving back to the community. We recognise that for long-term sustainability, we need to achieve a balance between being profit-driven and being a socially responsible corporate citizen.

**Staff visit the Rumah Keluarga Kami orphanage in Kajang**

Throughout 2021, our main focus was to assist local communities in the administration of COVID-19 vaccines, ensuring the well-being and safety of the individuals. As we entered 2022, our activities have evolved to address the changing needs of our communities to make an even greater positive impact on the lives of those we serve. On 22 July 2022, our dental team consisting of three dentists and four dental staff visited the Rumah Keluarga Kami orphanage in Kajang. This orphanage, registered with the Social Welfare Department, was established by the Society of St. Vincent de Paul to provide a home for underprivileged children who have been victims of child abuse, abandonment, or marginalization, regardless of gender. Since its establishment, over 100 children have resided at the home, and currently, there are 39 children between the ages of 4 and 18 residing there.

The primary objective of the home is to provide underprivileged children with proper nutrition, care, education, a secure place to live, and other basic necessities, as well as love and emotional support. At BW Dental, we are committed to giving back to society and contributing our time and effort to ensure that these children receive consistent, high-quality dental care as part of their overall health maintenance program.

Our oral hygiene maintenance program involves dental screenings and oral hygiene instruction on proper brushing techniques. Afterward, each child receives a goodie bag filled with oral hygiene products and joins us for lunch.

In FY2023, we are committed to making initiatives like this a regular part of our efforts to give back to the community and assist underprivileged individuals wherever we are able.

# Governance

## CORPORATE GOVERNANCE

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 Catalist Rules. Please refer to pages 27 to 51 of this Annual Report on the details of the Code and our report on the Group's adherence to the Code.

In our dealings with our customers and suppliers, our employees are to strictly uphold the Company's policy on anti-corruption/bribery, and we may also ask our suppliers through a supplier questionnaire on whether they have anti-corruption/bribery policies with their upstream suppliers.

There was no non-compliance to the Code in FY2022 (FY2021: Nil). In FY2023, we will continue to institute as a business practise compliance with the Code to meet all the good governance requirements that are expected of us by all our stakeholders.

## CODE OF CONDUCT

The Group sets out the expected Code of Conduct in its Employee Handbook. BJCG ensures compliance with labour and employment laws, including working hours and stipulated annual, medical, compassionate, maternity and childcare leave. Furthermore, the Group does not discriminate against anyone because of, among others, age, gender, national origin, disability, religion, sexual orientation, marital or maternity status, union membership or political opinion. Non-compliance in relation to discrimination must be reported to our Chairman/CEO who is responsible for the HR function of the Group or through our whistleblowing system.

There was no non-compliance to the Code in FY2022 (2021: Nil). In FY2023, we will continue to comply with the Code of Conduct set out in the Employee Handbook.

## RISK MANAGEMENT

Enterprise Risk Management ("**ERM**") is an integral part of good corporate governance as well as resource management. A thorough and comprehensive ERM framework enables BJCG to identify, communicate and manage its risks and exposures in an integrated, systematic and consistent manner. For detailed disclosure on ERM, please refer to pages 43 to 44 of this Annual Report.

There was no non-compliance to the Code in FY2022 (2021: Nil). In FY2023, we aim to review the ERM policies regularly to ensure all relevant risks are identified, communicated, managed, and addressed timely.

# GRI Content Index 2021

| GRI Standards 2021 | Disclosure | | Reference/Description |
|---|---|---|---|
| GRI 2: General Disclosures | 2-1 | Organizational details | Pages 4 to 5 |
| | 2-2 | Entities included in the organization's sustainability reporting | Page 14 |
| | 2-3 | Reporting period, frequency and contact point | Page 14 |
| | 2-4 | Restatements of information | None |
| | 2-5 | External assurance | Page 14 |
| | 2-6 | Activities, value chain and other business relationships | Pages 4 to 5 |
| | 2-7 | Employees | Pages 20 to 22 |
| | 2-8 | Workers who are not employees | None |
| | 2-9 | Governance structure and composition | Pages 32 to 33 |
| | 2-10 | Nomination and selection of the highest governance body | Page 29 |
| | 2-11 | Chair of the highest governance body | Page 34 |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | Page 14 |
| | 2-13 | Delegation of responsibility for managing impacts | Page 14 |
| | 2-14 | Role of the highest governance body in sustainability reporting | Page 14 |
| | 2-15 | Conflicts of interest | Page 154 |
| | 2-16 | Communication of critical concerns | Page 15 |
| | 2-17 | Collective knowledge of the highest governance body | Page 14 |
| | 2-18 | Evaluation of the performance of the highest governance body | Page 39 |
| | 2-19 | Remuneration policies | Pages 39 to 41 |
| | 2-20 | Process to determine remuneration | Pages 40 to 41 |
| | 2-21 | Annual total compensation ratio | Pages 41 to 42 |
| | 2-22 | Statement on sustainable development strategy | Page 14 |
| | 2-23 | Policy commitments | Page 20 |
| | 2-24 | Embedding policy commitments | Page 20 |
| | 2-25 | Processes to remediate negative impacts | Page 17 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | Page 17 |
| | 2-27 | Compliance with laws and regulations | Page 24 |
| | 2-28 | Membership associations | None |
| | 2-29 | Approach to stakeholder engagement | Page 15 |
| | 2-30 | Collective bargaining agreements | None |

# GRI Content Index 2021

| GRI Standards 2021 | Disclosure | | Reference/Description |
|---|---|---|---|
| **MATERIAL TOPICS** | | | |
| **GRI 3: Material Topics** | 3-1 | Process to determine material topics | Page 16 |
| | 3-2 | List of material topics | Page 16 |
| | 3-3 | Management of material topics | Page 16 |
| **GRI 201: Economic performance** | 201-1 | Direct economic value generated and distributed | Page 17 |
| **GRI 205: Anti-corruption** | 205-3 | Confirmed incidents of corruption and actions taken | Page 17 |
| **GRI 404: Training and Education** | 404-1 | Average hours of training per year per employee | Pages 21 to 22 |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | Pages 21 to 22 |
| **GRI 405: Diversity and equal opportunity** | 405-1 | Diversity of governance bodies and employees | Pages 20 to 21 |
| **GRI 413: Local Communities** | 413-1 | Operations with local community engagement, impact assessments, and development programs | Page 23 |

# Corporate Governance Report

The board of directors (the "**Board**") of Beverly JCG 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**") where applicable except where otherwise stated. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.

This report describes the Company's corporate governance processes and structures that are currently in place for the financial year ended 31 December 2022 ("**FY2022**"), 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 five Directors – an Independent Non-Executive Chairman, a Deputy Chairman and CEO, an Executive Director and Deputy CEO and two Independent Directors and collectively have the appropriate mix of core competencies and diversity of experience, as set out below:

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

<u>Provision 1.1 of the Code</u>

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 faces 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.

# Corporate Governance Report

Provision 1.2 of the Code

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. All Directors newly appointed in FY2018 and FY2019 had attended and completed the Listed Entity Director Modules 1 to 4 courses provided by the Singapore Institute of Directors. 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. The external auditors ("**EA**") had briefed the AC on changes or amendments to accounting standards in FY2022.

Provision 1.3 of the Code

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 following disbursements require the prior approval of the AC:

(a) disbursements of funds by the Company (excluding routine payments such as salaries, monthly fixed office rental, monthly continuing sponsor fee and monthly legal retainer fee) exceeding S$25,000; and
(b) disbursements of funds by subsidiaries of the Company (excluding routine payments such as salaries and doctors' commissions) exceeding S$50,000.

Apart from matters that specifically require the Board's or the AC's approval, disbursements of funds by subsidiaries of the Company (excluding routine payments such as salaries and doctors' commissions) between S$25,000 up to S$50,000 require prior approval from the Chief Financial Officer of the Company (the "**CFO**"). In addition, 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 thirteen times including several ad-hoc meetings in FY2022.

# Corporate Governance Report

Provision 1.4 of the Code

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 FY2022, the AC, RC and NC were made up solely of Independent Directors, and the RMC comprised three Independent Directors and two 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 FY2022, the AC had formally met a total of five times.

Further details about the AC may be found on pages 44 to 45 of this report.

**NOMINATING COMMITTEE**

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

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

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 FY2022. 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 35 to 39 of this report.

# Corporate Governance Report

**REMUNERATION COMMITTEE**

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

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

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 FY2022, the RC had formally met once.

Further details about the RC can be found on pages 39 to 41 of this report.

**RISK MANAGEMENT COMMITTEE**

As at the date of this Annual Report, the RMC comprise three Independent Directors and two Executive Directors as follows:

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

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.

In FY2022, the RMC had formally met once.

Further details about the RMC can be found on pages 43 to 44 of this report.

# Corporate Governance Report

Provision 1.5 of the Code

The Directors attend and actively participate in Board and Board Committee meetings. The number of meetings held by the Board and Board Committees and attendance thereat during FY2022 are as follows:

| DIRECTORS | Board No. of meetings | | AC No. of meetings | | RC No. of meetings | | NC No. of meetings | | RMC No. of meetings | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Held | Attended | Held | Attended | Held | Attended | Held | Attended | Held | Attended |
| Dato' Ng Tian Sang @ Ng Kek Chuan | 13 | 13 | 5(1) | – | – | – | – | – | 1 | 1 |
| Mr Howard Ng How Er | 13 | 12 | 5(1) | 1(1) | 1(1) | 1(1) | 1(1) | 1(1) | 1 | 1 |
| Dr Lam Lee G | 13 | 13 | 5 | 5 | 1 | 1 | 1 | 1 | 1 | 1 |
| Mr Yap Siean Sin | 13 | 13 | 5 | 5 | 1 | 1 | 1 | 1 | 1 | 1 |
| Mr Cheung Wai Man, Raymond | 13 | 13 | 5 | 5 | 1 | 1 | 1 | 1 | 1 | 1 |

(1) Attendance by invitation.

Provision 1.6 of the Code

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 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.

Provision 1.7 of the Code

The agenda for Board meetings is prepared in consultation with the 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.

# Corporate Governance Report

## 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 2.1 of the Code

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, (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, or if he has been a director for an aggregate period of more than 9 years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the listing applicant, and associates of such directors and chief executive officer. For the purpose of the resolution referred to in (B), the directors and the chief executive officer of the listing applicant, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. Such resolutions may remain in force until the earlier of the following: (aa) the retirement or resignation of the director; or (bb) the conclusion of the third annual general meeting of the listing applicant following the passing of the resolutions.

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.

Provisions 2.2 and 2.3 of the Code

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 three out of five of the Directors are Non-Executive Directors, is able to exercise its powers objectively and independently from the management. All of the 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 Board had on 1 June 2020 appointed Dr Lam Lee G as Lead Independent Director. The Board had, with effect from 1 January 2023, re-designated Dato' Ng Tian Sang @ Ng Kek Chuan from Executive Chairman and CEO to Deputy Chairman and CEO, and re-designated Mr Yap Siean Sin from Independent Director to Independent Non-Executive Chairman.

# Corporate Governance Report

Provision 2.4 of the Code

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. With the introduction of Rule 710A of the Catalist Rules effective from 1 January 2022, the Board has since formulated and maintained a formal Board Diversity Policy which takes into consideration criteria such as age, gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. If a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director, the NC will consider the benefits of all aspects of diversity including, but not limited to, those described in the Board Diversity Policy and select the appropriate candidate for the position. Details of the Board Diversity Policy have been made available to all directors of the Company.

Provision 2.5 of the Code

For FY2022, 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 | 5 | 100% |
| – Business management | 5 | 100% |
| – Legal or corporate governance | 5 | 100% |
| – Relevant industry knowledge or experience | 5 | 100% |
| – Strategic planning experience | 5 | 100% |
| – Customer based experience or knowledge | 4 | 80% |
| – Information technology | 4 | 80% |

# Corporate Governance Report

## 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.

Provision 3.1 of the Code

In compliance with the Code's provisions on the clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business, Mr Yap Siean Sin is the Independent Non-Executive Chairman and Dato' Ng Tian Sang @ Ng Kek Chuan is the Deputy Chairman and CEO of the Company.

The Chairman and CEO of the Company are separate persons and are not related. The roles of the Chairman and the CEO are deliberately kept distinct through a clear division of responsibilities to ensure effective oversight, appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

Provision 3.2 of the Code

As the Independent Non-Executive Chairman, Mr Yap Siean Sin'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;
- encouraging constructive relations between Executive Directors and Non-Executive Directors;
- promoting high standards of corporate governance; and
- setting the Board agenda with Management and conducting effective Board meetings.

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

The Deputy Chairman and CEO, Dato' Ng Tian Sang @ Ng Kek Chuan, 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.

Provision 3.3 of the Code

On 1 June 2020, Dr Lam Lee G was appointed as the Lead Independent Director of the Company to provide leadership in situations where the Chairman is conflicted and to ensure that a channel of communication is always available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate pursuant to Provision 3.3 of the Code. The Lead Independent Director is available to shareholders where they have concerns and for which contact through the normal channels of the Deputy Chairman and CEO, Executive Director and Deputy CEO, Executive Director or Chief Financial Officer have failed to resolve or for which such contact is inappropriate.

While the Deputy Chairman and CEO, Dato' Ng Tian Sang @ Ng Kek Chuan, is the father of the Executive Director and Deputy CEO, Mr Howard Ng How Er, the Board is of the view that it maintains a strong independent element of the Board as the Board comprises majority Independent Directors. The Board is satisfied that there is currently a strong independent element to contribute to effective decision-making.

# Corporate Governance Report

## 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.

Provisions 4.1 and 4.2 of the Code

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

Provision 4.1 of the Code

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.

Provisions 4.3 and 4.5 of the Code

With the introduction of Rule 710A of the Catalist Rules effective from 1 January 2022, the Board has since formulated and maintained a formal Board Diversity Policy which takes into consideration criteria such as age, gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. 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.

# Corporate Governance Report

Provision 4.4 of the Code

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 28 February 2023 subsequent to FY2022 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.

Provision 4.5 of the Code

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 FY2022, 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 FY2022, 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.

Provision 4.5 of the Code

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 | 29 June 2020 | Nil | – Asia-Pacific Strategic Investment Limited | – Spring Rise Pte Ltd<br>– Cavacole (5) Pte Ltd<br>– Pacific Coast Pte. Ltd.<br>– Spring Malaysia (MM2H) Sdn. Bhd.<br>– Timur Baiduri Sdn. Bhd.<br>– Arealink Corporation Sdn. Bhd.<br>– Seni Rancang (M) Sdn. Bhd.<br>– Moi Siean Holdings Sdn. Bhd.<br>– Jururancang YSS (Sole Proprietorship)<br>– Arkitek Seni Perundung. (Sole Proprietorship) |

# Corporate Governance Report

| 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 |
|---|---|---|---|---|---|
| Dr Lam Lee G | 14 May 2018 | 28 April 2022 | – Alset International Limited (fka: Singapore eDevelopment Ltd)<br>– Asia-Pacific Strategic Investments Limited (fka: China Real Estate Group Ltd)<br>– AustChina Holdings Limited<br>– China LNG Group Limited<br>– CSI Properties Limited<br>– Elife Holdings Limited<br>– Greenland Hong Kong Holdings Limited<br>– Haitong Securities Company Limited<br>– Hang Pin Living Technology Company Limited<br>– Hong Kong Aerospace Technology Group Limited (fka: Eternity Technology Holdings Ltd)<br>– Huarong International Financial Holdings Limited<br>– Jade Road Investments Limited (fka: Adamas Finance Asia Limited)<br>– Kidsland International Holdings Limited<br>– Mei Ah Entertainment Group Limited<br>– Mingfa Group (International) Company Limited<br>– RENHENG Enterprise Holdings Limited<br>– Sunwah Kingsway Capital Holdings Limited<br>– Thomson Medical Group Limited<br>– TMC Life Sciences Berhad<br>– Vongroup Limited | – Aurum Pacific (China) Group Limited<br>– China Shandong Hi-Speed Financial Group Limited<br>– National Arts Group Holdings Limited (fka: National Arts Entertainment and Culture Group Limited)<br>– Sunwah International Limited<br>– Tianda Pharmaceuticas Limited<br>– Top Global Limited<br>– Huarong Investment Stock Corporation Limited | – Pacific Basin Economic Council*<br>– United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Sustainable Business Network (ESBN)*<br><br>*voluntary/pro-bono/ community service roles |

# Corporate Governance Report

| 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 Cheung Wai Man, Raymond | 28 February 2019 | 29 June 2021 | Nil | Nil | – ECXX Global Pte. Ltd.<br>– Atlantic Partners Asia Pte. Ltd.<br>– Lucerne Asset Management Pte. Ltd.<br>– Gathercare Pte. Ltd.<br>– Brickstone Pte. Ltd.<br>– Alpha Consultant Pte. Ltd.<br>– PT Alpha Millennia Indonesia<br>– Alpha Millennia Technology Pte. Ltd.<br>– Alpha Millennia Consulting Pte. Ltd.<br>– Two Actuarial Solutions Pte. Ltd.<br>– BRCA Pte. Ltd. (Inactive)<br>– JPL Advisory LLP (Inactive) |
| Dato' Ng Tian Sang @ Ng Kek Chuan | 29 November 2019 | 29 June 2020 | Nil | Nil | Nil |
| Mr Howard Ng How Er | 29 November 2019 | 28 April 2022 | Nil | Nil | – Beverly Bangsar Sdn Bhd |

The profiles of the Directors can be found on pages 9 to 10 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 Dato' Ng Tian Sang @ Ng Kek Chuan and Mr Yap Siean Sin be nominated for re-election at the Company's forthcoming Annual General Meeting ("**AGM**"). In making the recommendation, the NC had considered Dato' Ng Tian Sang @ Ng Kek Chuan's and Mr Yap Siean Sin's overall contributions and performance. Dato' Ng Tian Sang @ Ng Kek Chuan and Mr Yap Siean Sin abstained from making any deliberations on each of their re-elections.

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

Mr Yap Siean Sin will, upon re-election as a Director of the Company, remain as the Independent Non-Executive Chairman of the Board, Chairman of the NC and RC and a 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.

# Corporate Governance Report

As at the date of this report, all of the Directors have interests 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 53 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.

<u>Provision 5.1 of the Code</u>

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, Deputy Chairman and CEO 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.

<u>Provision 5.2 of the Code</u>

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 FY2022.

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.

<u>Provisions 6.1 and 6.2 of the Code</u>

The Board has established the RC, chaired by Mr Yap Siean Sin. The RC comprises three Independent Directors.

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.

# Corporate Governance Report

Provision 6.1 of the Code

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.

Provision 6.3 of the Code

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

Provision 6.4 of the Code

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 FY2022.

**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.

Provision 7.1 of the Code

The remuneration for the key executives comprises 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 annual review of the remuneration of the key executives are carried out by the RC to ensure that their remuneration 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.

Provision 7.2 of the Code

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. At the extraordinary general meeting held on 8 December 2021, shareholder approval was obtained for, inter alia, the part payment of executive directors' salaries, directors' fees for FY2022 and directors' fees for the financial year ended 31 December 2021 ("**FY2021**") in shares, to conserve cash and to provide the Directors with the opportunity to participate in the equity of the Company and motivate them towards better performance through increased dedication and loyalty. It would also encourage the alignment of interests between the Directors and Shareholders whilst not compromising their independence.

# Corporate Governance Report

Provision 7.3 of the Code

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.

Provision 8.3 of the Code

The RC (comprising of Mr Yap Siean Sin (Chairman), Dr Lam Lee G and Mr Cheung Wai Man, Raymond) also administers the JCG Share Performance Plan (the "**JCG SPP**") which was adopted at an extraordinary general meeting on 30 April 2019 and renewed at the annual general meeting held on 28 April 2022. 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.

Further details about the JCG SPP may be found on pages 56 and 57 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.

Provision 8.1(a) of the Code

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, CEO and Deputy CEO of the Company paid for FY2022 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** | | | | | |
| Dato' Ng Tian Sang @ Ng Kek Chuan | 94% | – | – | 6% | 100% |
| **Below S$250,000** | | | | | |
| Mr Howard Ng How Er | 86% | 5% | – | 9% | 100% |
| Dr Lam Lee G | – | – | 100% | – | 100% |
| Mr Yap Siean Sin | – | – | 100% | – | 100% |
| Mr Cheung Wai Man, Raymond | – | – | 100% | – | 100% |

**Note:**

(1) Other benefits include employer's contribution to Central Provident Fund, Employee Provident Fund and bonus.

# Corporate Governance Report

The Directors' fees for FY2023, as a lump sum, will be subject to the approval by shareholders at the forthcoming AGM.

Deviation from Provision 8.1(b) of the Code

The aggregate remuneration paid to the key executives (who are not Directors or the CEO) for services rendered to the Group on an individual basis is below S$250,000 during FY2022 and are set out below:

| Name of Key Executives | Base Salary | Allowance | Fees | Other Benefits[1] | Total |
|---|---|---|---|---|---|
| **Below S$250,000** | | | | | |
| Ms Violet Seah Sin Yuen[2] | 85% | – | – | 15% | 100% |
| Ms Toh Chiew Khim[3] | 80% | – | – | 20% | 100% |

**Notes:**

(1) Other benefits include employer's contribution to Central Provident Fund and bonus.
(2) Ms Violet Seah Sin Yuen has ceased to be the Chief Financial Officer of the Company with effect from 24 June 2022.
(3) Ms Toh Chiew Khim was appointed as the Chief Financial Officer of the Company with effect from 24 June 2022.

The Company had two key executive personnel (excluding the Directors) in FY2022. The total aggregate remuneration of the key executives are 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 at any material time (excluding the Directors).

Provision 8.2 of the Code

Save for (a) the Deputy Chairman and CEO, and (b) the Executive Director and Deputy CEO, whose remuneration has been disclosed above, there are no employees of the Company who are substantial shareholders of the 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 FY2022.

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.

# Corporate Governance Report

## 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.

Provision 9.1 of the Code

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 FY2022, 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 FY2022.

Provision 9.1 of the Code

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 FY2022, the Company had engaged Messers BDO Advisory Pte Ltd ("**BDO**") (the "**Internal Auditors**") as its outsourced internal auditor to perform internal audit work for FY2022 focused on the Company's internal controls under an internal audit plan. Based on the internal audit performed for FY2022, the Internal Auditors had identified and provided recommendations for improvements in the Company's system of internal controls. The CFO has assured the Board that the Company will take steps to implement the recommendations of the Internal Auditors and that all recommendations in relation to the FY2022 internal audit will be implemented by the Company. During FY2022, 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 Deputy Chairman and CEO 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. 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, 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 FY2022.

# Corporate Governance Report

Provision 9.2 of the Code

The Board has also received assurance from the Deputy Chairman and CEO, Dato' Ng Tian Sang @ Ng Kek Chuan and CFO, Ms Toh Chiew Khim:

(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.

Provision 10.1 of the Code

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.

# Corporate Governance Report

Provisions 10.2 and 10.3 of the Code

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 FY2022.

Provision 10.5 of the Code

In FY2022, 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 Chairman of the AC, have recent and relevant accounting or related financial management expertise or experience.

The Group's existing auditors, RT LLP, have been the auditors of the Group since 23 December 2021. Ms Heng Sot Leng is the engagement partner since financial year ended 31 December 2022.

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.

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 read together with Rule 716 of the Catalist Rules.

The AC is pleased to recommend to the Board that RT LLP be nominated for re-appointment as external auditors of the Company at the forthcoming AGM. The amount of audit fees paid to RT LLP in FY2022 was S$142,000. There were no non-audit fees paid to RT LLP in FY2022. 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 during their engagement for the financial year ended 31 December 2022.

**INTERNAL AUDIT**

The Group has appointed BDO as its outsourced internal auditor, with the internal audit for FY2022 being focused on the Company. BDO 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.

# Corporate Governance Report

BDO 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. BDO is provided with unfettered access to all the Group's documents, properties, information, records and personnel, including the AC. BDO 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 International Professional Practices Framework established by the Institute of Internal Auditors ("**IIA**"). The engagement team is headed by a Partner who has more than 25 years of experience in audit and advisory services. The engagement Partner holds a Bachelor of Accountancy Degree (Honours) from the Nanyang Technological University, Singapore, and is a Chartered Accountant of the Institute of Singapore Chartered Accountants and Certified Internal Auditor of the IIA. As the Group's outsourced internal auditors, BDO is required to provide staff of adequate expertise and experience to conduct the internal audits. Members of the internal audit team also have relevant academic qualifications and internal audit experience. The AC is satisfied that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group.

Provision 10.4 of the Code

BDO reports to the AC on audit matters and reports administratively to the CFO. The AC also reviews and approves the annual internal audit plans and resources to ensure that BDO 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.

## (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.

Provision 11.1 of the Code

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

Provision 11.2 of the Code

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.

Provision 11.3 of the Code

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, RT LLP, 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.

The attendance of the Directors of the Company at the Company's general meetings held during FY2022 are reflected in the table below:

| Name of Director | General Meetings |
|---|---|
| Number of meetings held: | 1 |
| **Number of meetings attended:** | |
| Dato' Ng Tian Sang @ Ng Kek Chuan | 1 |
| Mr Howard Ng How Er | 1 |
| Dr Lam Lee G | 1 |
| Mr Yap Siean Sin | 1 |
| Mr Cheung Wai Man, Raymond | 1 |

Provision 11.4 of the Code

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.

Provision 11.5 of the Code

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.

Deviation from Provision 11.6 of the Code

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 FY2022 due to the losses incurred and financial position of the Company.

# Corporate Governance Report

## 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 https://www.beverlyjcg.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.

Provision 12.1 of the Code

The Company held an annual general meeting in April 2022 which is the principal forum of dialogue and interaction with its shareholders. Before and after the general meeting, the Directors would also take the opportunity to interact with shareholders. For FY2022, the shareholders were invited to submit questions relating to the resolutions to be tabled at the respective meeting and the Company did not receive any substantial and relevant questions from shareholders.

Deviation from Provision 12.1 of the Code

As the forthcoming AGM will be held by electronic means pursuant to the Order, Directors of the Company will not be able to interact with shareholders in person. Under the Order, shareholders have been invited to submit questions related to the resolutions to be tabled for approval at the AGM prior to the AGM and the Company will respond to the substantial and relevant questions by posting its replies via SGXNet and the Company's website prior to the AGM on 28 April 2023. Arrangements have also been made for shareholders to submit their questions and interact with the Directors live and online (in real time) at the forthcoming AGM.

Deviation from Provision 12.2 of the Code

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 has also appointed a professional investor relations firm to assist and advise on investor relations.

# Corporate Governance Report

Provision 12.3 of the Code

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.

Provision 13.1 of the Code

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.

Provision 13.2 of the Code

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 FY2022 will also be set out in the Company's sustainability report which can be found on pages 13 to 26 of this Annual Report.

Provision 13.3 of the Code

The Company maintains a current corporate website (https://www.beverlyjcg.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 FY2022, 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.

# Corporate Governance Report

## 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 ("**IPT**"). The Company has established controls and reporting procedures for handling IPT. These ensure that such transactions are conducted on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company.

The Group will be obtaining a general mandate from the Shareholders at the upcoming Extraordinary General Meeting ("**EGM**") to be held on 28 April 2023 (the "**IPT General Mandate**"). IPTs are executed on fair terms and at arm's length regardless of their nature and size. All IPTs 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 IPT 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.

| Name of interested person | Nature of relationships | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) |
|---|---|---|---|
| Beverly Bangsar Sdn. Bhd. ("**BBSB**") | BBSB is a company incorporated in Malaysia and its principal business is the operation of an aesthetic clinic. Dato' Ng Tian Sang @ Ng Kek Chuan and his two sons, Howard Ng How Er and Alexander Ng Zhonglie hold 62.3% shareholdings in BBSB. Howard Ng How Er and Alexander Ng Zhonglie are also directors of BBSB. Accordingly, BBSB is an associate of Dato' Ng Tian Sang @ Ng Kek and Howard Ng How Er, both of whom are directors of the Company. | –[1] | – |

(1) The aggregate value of all transactions (including transactions that are less than S$100,000) entered into between the Group and BBSB for the financial year ended 31 December 2022 amounted to approximately S$121,000.

Other than the above, there were no interested person transactions of S$100,000 or more in value per transaction entered into during FY2022.

# Corporate Governance Report

## 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.

## USE OF PROCEEDS

As at the Latest Practicable Date, the net proceeds from the Proposed April 2022 Subscriptions converted to advances had been utilised as follows:

| Use of proceeds | Percentage Allocation (%) | Amount allocated (S$'000) | Amount utilised (S$'000) | Amount Unutilised (S$'000) |
|---|---|---|---|---|
| **Net Proceeds from Proposed April 2022 Subscriptions converted to advances** | | | | |
| (i) For general working capital needs | 70 | 515 | 515 | – |
| (ii) For the future expansion of the Group | 15 | 110 | 110 | – |
| (iii) For the reduction of debts and liabilities | 15 | 110 | 110 | – |
| **Total** | 100 | 735 | 735 | – |

The amounts utilised for reduction of debts and liabilities were for repayment of outstanding payables for working capital while the amounts utilised for general working capital were used mainly in relation to administrative and operating expenses.

## NON-SPONSOR FEES

No non-sponsor fees were paid to the Company's sponsor, Stamford Corporate Services Pte. Ltd. for the period 1 January 2022 to 14 December 2022.

The Company appointed Evolve Capital Advisory Private Limited to act as its new sponsor, and the appointment took effect from 15 December 2022. No non-sponsor fees were paid to Evolve Capital Advisory Private Limited for the period 15 December 2022 to 31 December 2022.

## SUSTAINABILITY REPORT

During FY2022, 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 Sustainability Report can be found on pages 13 to 26 of this Annual Report.

# Directors' Statement

For the financial year ended 31 December 2022

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2022 and the balance sheet of the Company as at 31 December 2022.

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 63 to 139 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 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; 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
Howard Ng How Er
Dr Lam Lee G
Yap Siean Sin
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** | |
|---|---|---|---|---|
| **Company** | **At 31.12.2022** | **At 1.1.2022** | **At 31.12.2022** | **At 1.1.2022** |
| (No. of ordinary shares) | | | | |
| Dato' Ng Tian Sang @ Ng Kek Chuan | 1,734,422,533 | 1,585,012,533 | 959,635,423 | 920,435,423 |
| Howard Ng How Er | 393,011,793 | 353,811,793 | – | – |
| Dr Lam Lee G | 54,366,000 | – | 63,067,009 | 63,067,009 |
| Yap Siean Sin | 60,000,000 | – | – | – |
| Cheung Wai Man, Raymond | 36,100,009 | 7,500,009 | – | – |

# Directors' Statement
For the financial year ended 31 December 2022

**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 31.12.2022 | At 1.1.2022 | At 31.12.2022 | At 1.1.2022 |
| **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 | 3,942,885 | 3,942,885 |
| Howard Ng How Er | 1,314,295 | 1,314,295 | – | – |
| **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 | 213,174 | 213,174 |
| Howard Ng How Er | 71,058 | 71,058 | – | – |
| **Beverly Wilshire Aesthetic Dental Centre Sdn Bhd** | | | | |
| Dato' Ng Tian Sang @ Ng Kek Chuan | 656,347 | 656,347 | 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 | – | – | 101,210 | 101,210 |
| Howard Ng How Er | – | – | 17,320 | 17,320 |
| **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' Statement

For the financial year ended 31 December 2022

**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 31.12.2022 | At 1.1.2022 | At 31.12.2022 | At 1.1.2022 |
| **Company** | | | | |
| (No. of warrants) | | | | |
| Dato' Ng Tian Sang @ Ng Kek Chuan | 701,961,174 | 701,961,174 | 199,665,675 | 199,665,675 |
| Howard Ng How Er | 107,184,160 | 107,184,160 | – | – |
| Dr Lam Lee G | – | – | 15,767,009 | 15,767,009 |
| Cheung Wai Man, Raymond | 2,500,009 | 2,500,009 | – | – |

(b) The directors' interests in the ordinary shares and convertible securities of the Company as at 21 January 2023 were the same as those as at 31 December 2022.

**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)
Dr Lam Lee G
Cheung Wai Man, Raymond

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**").

# Directors' Statement

For the financial year ended 31 December 2022

**Share options (cont'd)**

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

- 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.

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 is an aggregate of 76,975,000 share options after share consolidation.

There is no movement in the number of options to subscribe for ordinary shares of the Company pursuant to the ESOS during the financial year ended 31 December 2021.

| Date of grant | Balance as at 1.1.2022 | Options granted/ adjustment | Options cancelled or lapsed | Balance as at 31.12.2022 | Exercise price per share option | Exercisable period |
|---|---|---|---|---|---|---|
| 2.10.2014 | 38,487,500 | – | – | 38,487,500 | S$0.020 | 2.10.2014-1.10.2024 |
| | 38,487,500 | – | – | 38,487,500 | | |

There is no movement in the number of options to subscribe for ordinary shares of the Company pursuant to the ESOS during the financial year ended 31 December 2020.

| Date of grant | Balance as at 1.1.2021 | Options granted/ adjustment | Options cancelled or lapsed | Balance as at 31.12.2021 | Exercise price per share option | Exercisable period |
|---|---|---|---|---|---|---|
| 2.10.2014 | 38,487,500 | – | – | 38,487,500 | S$0.020 | 2.10.2014-1.10.2024 |
| | 38,487,500 | – | – | 38,487,500 | | |

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;

# Directors' Statement
For the financial year ended 31 December 2022

**Share options (cont'd)**

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

- 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**

**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.

# Directors' Statement

For the financial year ended 31 December 2022

**Share performance plan (cont'd)**

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

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.

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.

No share awards are granted during the financial years ended 31 December 2021 and 2022 pursuant to the JCG Share Performance Plan.

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 former 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.

# Directors' Statement

For the financial year ended 31 December 2022

**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 1967. 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.

# Directors' Statement

For the financial year ended 31 December 2022

**Independent auditor**

The independent auditor, RT LLP, has expressed its willingness to accept reappointment.

On behalf of the directors

| | |
|---|---|
| Dato' Ng Tian Sang @ Ng Kek Chuan<br>Director | Howard Ng How Er<br>Director |

**13 April 2023**

# Independent Auditor's Report

To the members of Beverly JCG Ltd. for the financial year ended 31 December 2022

## Report on the Audit of the Financial Statements

### *Disclaimer of Opinion*

We were engaged to audit the financial statements of Beverly JCG 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 2022, and the consolidated statement of profit or loss and other 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 Basis 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.

### *Basis 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 balance sheet of the Company is appropriate for the current financial year:

As disclosed in Note 4 to the financial statements, the Group and the Company incurred total losses of S$2,250,000 and S$1,745,000 respectively and the Group also incurred net operating cash outflows of S$1,050,000 for the financial year ended 31 December 2022. As at 31 December 2022, the Group's and Company's current liabilities exceeded their current assets by S$3,453,000 and S$1,019,000 respectively and the Group has net liabilities of S$1,121,000.

Nevertheless, the Board of Directors of the Company believe that the use of the going concern assumption in the preparation of the financial statements of the Group and the balance sheet of the Company for the financial year ended 31 December 2022 is appropriate after taking into consideration the assumptions and measures elaborated in Note 4 to the financial statements.

The ability 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 undertaken as disclosed in Note 4 to the financial statements. 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. for the financial year ended 31 December 2022

**Report on the Audit of the Financial Statements (cont'd)**

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

**2. Opening balances and comparative figures – Assets, liabilities and results of the Group's aesthetic business in Taiwan**

The audit opinion on the consolidated financial statements of the Group for the financial year ended 31 December 2021, which formed the basis for the comparative figures presented in the current financial year's consolidated financial statements, was disclaimed by us, and one of the basis for the disclaimer of opinion was the assets, liabilities and results of the Group's aesthetic business in Taiwan.

Notwithstanding that the disposal of the Group's aesthetic business in Taiwan had been completed in the previous financial year, the matters which resulted in the disclaimer of opinion remain unresolved with respect to the opening balances of the Group as at 1 January 2021. In view of that, we were unable to determine whether adjustments to the opening balances of the Group as at 1 January 2021 might have been necessary. In addition, since opening balances entered into the determination of the financial performance, changes in equity and cash flows for the previous financial year ended 31 December 2021, we were unable to determine whether adjustments might have been necessary in respect of the loss, changes in equity and cash flows of the Group for the previous financial year. Our audit opinion on the financial statements for the previous financial year was disclaimed accordingly. Our opinion on the current financial year's financial statements is disclaimed because of the possible effect of this matter on the comparability of the current financial year's figures and the corresponding (i.e. comparative) figures.

***Responsibilities of Management and Directors for the Financial Statements***

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967 (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 including 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 *Basis 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.

# Independent Auditor's Report

To the members of Beverly JCG Ltd. for the financial year ended 31 December 2022

## Report on the Audit of the Financial Statements (cont'd)

### *Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

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, 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 partner on the audit resulting in this independent auditor's report is Ms. Heng Sot Leng.

RT LLP

Public Accountants and
Chartered Accountants
Singapore, 13 April 2023

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2022

| | Note | Group 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|---|
| Revenue | 5 | 10,510 | 8,974 |
| Cost of sales | | (4,769) | (4,608) |
| Gross profit | | 5,741 | 4,366 |
| Other income | 6 | 151 | 654 |
| Other losses, net | 7 | (155) | (65) |
| Expenses | | | |
| – Distribution | | (258) | (204) |
| – Administrative | | (7,662) | (7,490) |
| – Finance | 10 | (246) | (275) |
| Loss before income tax | | (2,429) | (3,014) |
| Income tax credit | 11 | 179 | 158 |
| **Total loss** | | (2,250) | (2,856) |
| **Other comprehensive loss:** | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Currency translation differences arising from consolidation | | | |
| – Losses | 26(b)(ii) | 15 | 3 |
| Other comprehensive losses, net of tax | | 15 | 3 |
| **Total comprehensive loss** | | (2,235) | (2,853) |
| **Total loss attributable to:** | | | |
| Equity holders of the Company | | (2,115) | (2,500) |
| Non-controlling interests | | (135) | (356) |
| | | (2,250) | (2,856) |
| **Total comprehensive loss attributable to:** | | | |
| Equity holders of the Company | | (2,100) | (2,497) |
| Non-controlling interests | | (135) | (356) |
| | | (2,235) | (2,853) |
| **Loss per share for loss attributable to equity holders of the Company (cents per share)** | | | |
| **Basic and diluted loss per share** | 12 | (0.01) | (0.02) |

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

# Balance Sheets

As at 31 December 2022

| | Note | Group 2022 S$'000 | Group 2021 S$'000 | Company 2022 S$'000 | Company 2021 S$'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 13 | 908 | 913 | 529 | 192 |
| Trade and other receivables | 14 | 814 | 924 | 840 | 739 |
| Inventories | 15 | 477 | 407 | – | – |
| | | 2,199 | 2,244 | 1,369 | 931 |
| **Non-current assets** | | | | | |
| Investments in subsidiary corporations | 17 | – | – | 2,417 | 2,417 |
| Property, plant and equipment | 18 | 4,515 | 5,018 | 211 | 135 |
| Intangible assets | 21 | 668 | 1,054 | – | – |
| | | 5,183 | 6,072 | 2,628 | 2,552 |
| **Total assets** | | 7,382 | 8,316 | 3,997 | 3,483 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | 22 | 4,005 | 4,471 | 1,693 | 1,245 |
| Income tax payable | | 10 | 18 | – | – |
| Lease liabilities | 23(a) | 758 | 616 | 68 | 124 |
| Borrowings | 23(b) | 879 | 980 | 627 | 800 |
| | | 5,652 | 6,085 | 2,388 | 2,169 |
| **Non-current liabilities** | | | | | |
| Lease liabilities | 23(a) | 1,743 | 1,643 | 137 | – |
| Borrowings | 23(b) | 1,041 | 299 | 915 | – |
| Deferred income tax liabilities | 24 | 67 | 242 | – | – |
| | | 2,851 | 2,184 | 1,052 | – |
| **Total liabilities** | | 8,503 | 8,269 | 3,440 | 2,169 |
| **NET (LIABILITIES)/ASSETS** | | (1,121) | 47 | 557 | 1,314 |
| **EQUITY** | | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | | |
| Share capital | 25 | 73,887 | 72,994 | 73,887 | 72,994 |
| Settlement shares and warrants receivables | 16 | (3,557) | (3,557) | (3,557) | (3,557) |
| Other reserves | 26 | 3,149 | 3,039 | 3,169 | 3,074 |
| Accumulated losses | | (74,806) | (72,691) | (72,942) | (71,197) |
| | | (1,327) | (215) | 557 | 1,314 |
| **Non-controlling interests** | 17 | 206 | 262 | – | – |
| **Total equity** | | (1,121) | 47 | 557 | 1,314 |

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

# Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2022

| | Note | ← Attributable to equity holders of the Company | | | | | | → | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Share Capital S$'000 | Settlement shares and warrants receivables S$'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 Equity S$'000 |
| **2022** | | | | | | | | | | |
| **Beginning of financial year** | | 72,994 | (3,557) | 25 | (35) | 3,049 | (72,691) | (215) | 262 | 47 |
| Net loss for the financial year | | – | – | – | – | – | (2,115) | (2,115) | (135) | (2,250) |
| Other comprehensive loss for the financial year | | – | – | – | 15 | – | – | 15 | – | 15 |
| **Total comprehensive loss for the financial year** | | – | – | – | 15 | – | (2,115) | (2,100) | (135) | (2,235) |
| Issuance of share capital | 25 | 988 | – | – | – | – | – | 988 | – | 988 |
| Fair value adjustment of warrants | 25, 26(b)(iii) | (95) | – | – | – | 95 | – | – | – | – |
| **Total transactions with owners, recognised directly in equity** | | 893 | – | – | – | 95 | – | 988 | – | 988 |
| Capital contributions from non-controlling interest | | – | – | – | – | – | – | – | 79 | 79 |
| **End of financial year** | | 73,887 | (3,557) | 25 | (20) | 3,144 | (74,806) | (1,327) | 206 | (1,121) |

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

# Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2022

| | Note | Attributable to equity holders of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Share Capital S$'000 | Settlement shares and warrants receivables S$'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 Equity S$'000 |
| **2021** | | | | | | | | | | |
| **Beginning of financial year** | | 71,623 | – | 25 | (38) | 1,880 | (70,191) | 3,299 | 541 | 3,840 |
| Net loss for the financial year | | – | – | – | – | – | (2,500) | (2,500) | (356) | (2,856) |
| Other comprehensive loss for the financial year | | – | – | – | 3 | – | – | 3 | – | 3 |
| **Total comprehensive loss for the financial year** | | – | – | – | 3 | – | (2,500) | (2,497) | (356) | (2,853) |
| Issuance of share capital | 25 | 658 | – | – | – | – | – | 658 | – | 658 |
| Fair value adjustment of warrants | 25, 26(b)(iii) | (1,169) | – | – | – | 1,169 | – | – | – | – |
| Rights issue | 25 | 1,882 | – | – | – | – | – | 1,882 | – | 1,882 |
| **Total transactions with owners, recognised directly in equity** | | 1,371 | – | – | – | 1,169 | – | 2,540 | – | 2,540 |
| Settlement shares and warrants receivables | 16 | – | (3,557) | – | – | – | – | (3,557) | – | (3,557) |
| Effect of disposing part of interest in a subsidiary | | – | – | – | – | – | – | – | 37 | 37 |
| Capital contributions from non-controlling interest | | – | – | – | – | – | – | – | 40 | 40 |
| **End of financial year** | | 72,994 | (3,557) | 25 | (35) | 3,049 | (72,691) | (215) | 262 | 47 |

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

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2022

| | Note | Group 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Total loss | | (2,250) | (2,856) |
| Adjustments for: | | | |
| – Income tax credit | 11 | (179) | (158) |
| – Loss allowances on trade receivables | 29 | 141 | – |
| – Amortisation of intangible assets | 21 | 386 | 385 |
| – Depreciation of property, plant and equipment | 18 | 1,531 | 1,575 |
| – Property, plant and equipment written off | 7 | – | 11 |
| – Rent concessions | 6 | – | (180) |
| – Gain due to modification of lease | 6 | – | (143) |
| – Reversal of provision of loss allowance | 6 | – | (6) |
| – Loss on disposal of subsidiary corporation | 7 | – | 54 |
| – Finance expenses | 10 | 246 | 275 |
| – Unrealised currency translation losses/(gain) | | 279 | (109) |
| | | 154 | (1,152) |
| **Change in working capital:** | | | |
| – Trade and other receivables | | (38) | (172) |
| – Inventories | | (70) | 5 |
| – Trade and other payables | | (1,068) | 642 |
| **Cash used in operations** | | (1,022) | (677) |
| – Interest expense-bank overdrafts | | (28) | (23) |
| – Income tax refunded | | – | 17 |
| **Net cash used in operating activities** | | (1,050) | (683) |
| **Cash flows from investing activities** | | | |
| – Purchase of property, plant and equipment | | (113) | (325) |
| **Net cash used in investing activities** | | (113) | (325) |
| **Cash flows from financing activities** | | | |
| – Bank deposit discharged | | – | 10 |
| – Bank deposit pledged | | (78) | (101) |
| – Net proceeds from share subscription | 25 | 600 | 658 |
| – Net proceeds from rights issue | 25 | – | 1,882 |
| – Effect of disposing part of interest in a subsidiary | | – | 37 |
| – Non-controlling interest contribution | | 5 | 40 |
| – Proceeds from advances | | 735 | – |
| – Proceeds from borrowings | | 1,031 | 393 |
| – Proceeds from overdraft | | 330 | – |
| – Repayment of lease liabilities | | (1,076) | (871) |
| – Repayment of borrowings | | (720) | (323) |
| – Interest paid | | (78) | (49) |
| **Net cash generated from financing activities** | | 749 | 1,676 |

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

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2022

| | Note | Group 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|---|
| **Net (decrease)/increase in cash and cash equivalents** | | (414) | 668 |
| **Cash and cash equivalents** | | | |
| Beginning of financial year | | 789 | 121 |
| Effects of currency translation on cash and cash equivalents | | 9 | – |
| **End of financial year** | 13 | 384 | 789 |

***Reconciliation of liabilities arising from financing activities***

| | 1 January 2022 S$'000 | Financing cash flows[1] S$'000 | Interest expense S$'000 | Non-cash changes: Purchase of property, plant and equipment S$'000 | Non-cash changes: Modification of lease liabilities S$'000 | Non-cash changes: Currency exchange loss S$'000 | 31 December 2022 S$'000 |
|---|---|---|---|---|---|---|---|
| Borrowings | 1,279 | 563 | 78 | – | – | – | 1,920 |
| Lease liabilities | 2,259 | (1,076) | 140 | 1,173 | – | 5 | 2,501 |

| | 1 January 2021 S$'000 | Financing cash flows[1] S$'000 | Interest expense S$'000 | Non-cash changes: Purchase of property, plant and equipment S$'000 | Non-cash changes: Modification of lease liabilities S$'000 | Non-cash changes: Currency exchange loss S$'000 | 31 December 2021 S$'000 |
|---|---|---|---|---|---|---|---|
| Borrowings | 1,211 | 21 | 46 | – | – | 1 | 1,279 |
| Lease liabilities | 2,838 | (871) | 206 | 350 | (149) | (115) | 2,259 |

[1] The cash flows make up the net amount of proceeds from borrowings, repayments of borrowings and repayment of lease liabilities.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

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

## 1. General information

Beverly JCG Ltd. (the "**Company**") is listed on the Catalist, the sponsor-supervised listing platform of Singapore Exchange Securities Trading Limited (the "**Singapore Exchange**" or "**SGX-ST**") and incorporated and domiciled in Singapore. The principal place of business and registered office is located at 160 Robinson Road, #05-08 SBF Centre, Singapore 068914.

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 17 to the financial statements.

## 2. Significant accounting policies

### 2.1 Basis of preparation

The 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$**") and all values are rounded to the nearest thousand (S$'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 in 2022**

On 1 January 2022, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("**SFRS(I) INT**") 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 SFRS(I) INT.

The adoption of these new or amended SFRS(I) and SFRS(I) INT 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.

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 1-8: Definition of Accounting Estimates
- Amendments to SFRS(I) 1-37: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
- Annual Improvements to SFRS(I) Standards 2018-2020
- Amendments to SFRS(I) 1-16: Property, Plant and Equipment: Proceeds before Intended Use

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2. Significant accounting policies (cont'd)

### 2.1 Basis of preparation (cont'd)

**Interpretations and amendments to published standards effective in 2022 (cont'd)**

- Amendments to SFRS(I) 3 Business Combinations: Reference to the Conceptual Framework
- Amendments to SFRS(I) 16 Leases: COVID-19 Related Rent Concessions beyond 30 September 2021
- Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group does not expect any significant impact arising from the adoption of the above amendments to SFRS(I)s.

### 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.

(a) *Rendering of services*

*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. Advances received relate to the Group's obligation to provide goods and services to customers for which the Group has received advances from customers.

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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2. Significant accounting policies (cont'd)

### 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.

### 2.4 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2. Significant accounting policies (cont'd)

### 2.4 Group accounting (cont'd)

*(a) Subsidiary corporations (cont'd)*

*(ii) Acquisitions (cont'd)*

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.

*(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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

**2. Significant accounting policies (cont'd)**

**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.

(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 | 2 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 (losses)/gains, net".

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2. Significant accounting policies (cont'd)

### 2.6 Intangible assets

*(i) 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.

*(ii) 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.

*(iii) 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 *Leases* and borrowings 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

**2. Significant accounting policies (cont'd)**

**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.

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 (including right-of-use assets)*
*Investments in subsidiary corporations*

Intangible assets, property, plant and equipment (including 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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 sheets 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 *Revenue from Contracts with Customers*; and

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

### 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.

The Group has entered into arrangements under which the bank pays trade suppliers on its behalf, with the Group then reimbursing the bank. Such arrangements are referred to as invoice financing.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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

(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 conveys 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 assets are 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;

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2. Significant accounting policies (cont'd)

### 2.15 Leases (cont'd)

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

- Lease liabilities (cont'd)

  Lease payments include the following: (cont'd)

  – 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.

  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 *Leases* 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2. Significant accounting policies (cont'd)

### 2.15 Leases (cont'd)

(b) When the Group is the lessor: (cont'd)

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.

### 2.16 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 Financial liabilities at fair value through profit or loss

Put options held by non-controlling interests of the Group's subsidiary corporations which entitle the non-controlling interests to sell their interests in the subsidiary corporations to the Group on contracted dates in exchange of variable number of ordinary shares of the Company are recognised as derivative financial liabilities presented on a net basis measured at fair value at initial recognition. Such options are subsequently measured at fair value with the change in the carrying amounts recognised in profit or loss.

### 2.18 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2. Significant accounting policies (cont'd)

### 2.18 Income taxes (cont'd)

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.

### 2.19 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2. Significant accounting policies (cont'd)

### 2.19 Employee compensation (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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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 (losses)/gains, net".

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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2. Significant accounting policies (cont'd)

### 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.

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

When ordinary shares are reacquired ("**treasury shares**"), the amount of consideration paid including any directly attributable incremental costs is recognised directly in equity, until they are cancelled, sold or reissued. When treasury shares are subsequently cancelled, the cost of the treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company, if the shares are purchased out of earnings of the Company. When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

### 2.23 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.

### 3.1 Key sources of estimation uncertainty

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

The Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL by using an individual (debtor-by-debtor) basis. ECL is estimated based on historical credit loss experience based on the past due status of debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

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 net carrying amount of trade receivables as at 31 December 2022 is S$50,000 (2021: S$204,000) (Note 14).

# Notes to the Financial Statements

For the financial year ended 31 December 2022

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

### 3.1 Key sources of estimation uncertainty (cont'd)

(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 measured at an amount equal to 12-month ECL at initial recognition.

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

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances. The forecast economic conditions and Group's historical credit loss experience may also not be representative of customer's actual default in the future. The information about the ECL on the Group's other receivables are disclosed in Note 29(b) to the financial statements.

The net carrying amount of other receivables as at 31 December 2022 is S$199,000 (2021: S$115,000) (Note 14).

(c) *Impairment of non-financial assets*

Goodwill

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. In performing the impairment assessment of the carrying amount of goodwill, the recoverable amounts of cash-generating units ("**CGUs**") in which the goodwill, are determined using higher of value-in-use ("**VIU**") calculation and fair value less cost to disposal. The assessment process involves significant management's estimates and is based on assumptions that are affected by future market and economic conditions. It also involves the use of significant judgements such as the forecasted revenue and operating expenses, sales growth rates, gross profit margin and discount rates applied to the VIU calculation. Specific estimates used in the impairment assessment are disclosed in Note 21(a).

Management has assessed that the recoverable amounts of the CGUs are more than the carrying values of the CGUs, and accordingly no impairment charge was recognised. The carrying amount of goodwill is disclosed in Note 21(a).

# Notes to the Financial Statements

For the financial year ended 31 December 2022

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

### 3.1 Key sources of estimation uncertainty (cont'd)

*(c) Impairment of non-financial assets (cont'd)*

Other non-financial assets

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

During the financial year ended 31 December 2022, the management has assessed that there is objective evidence or indication that the carrying amount of the Company's investment in subsidiary corporations may not be recoverable as at the reporting date and accordingly an impairment assessment has been carried out. An impairment charge on investment in subsidiary corporations amounted to approximately S$Nil (2021: S$Nil) was recognised. Specific estimates used in the impairment assessment are disclosed in Note 21(a). The carrying amounts of other non-financial assets at the reporting date are disclosed in Notes 18, 21(b), and 26 respectively.

### 3.2 Judgements made in applying accounting policies

*Deconsolidation of Brand X Lab Pte Ltd from 1 January 2021 (Note 16)*

During the financial year ended 31 December 2020, the Directors of the Company approved the plan to unwind the acquisition of Brand X Lab Pte Ltd ("**Brand X**"). Subsequently, on 16 February 2021, the Company entered into an unwinding and settlement agreement (the "**Agreement**") with Tan Suying ("**TSY**") in respect of the mutual agreement by TSY and the Company to unwind the acquisition of Brand X. On 18 January 2022, TSY and the Company entered into a supplemental agreement (the "**Supplemental Agreement**") to amend, modify and vary the terms and provisions of the Agreement including but not limited to state that the date of effective transfer of any and all rights and entitlements as well as any and all obligations attached to the 100,000 ordinary shares of Brand X shall remain 1 January 2021.

Management has de-consolidated Brand X from 1 January 2021, having considered that the Group has lost control of Brand X from 1 January 2021. The Group no longer has any power over Brand X from 1 January 2021, the Group no longer has the ability to use its power over Brand X to affect the amount of its returns.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 4. Going concern

The Group and the Company incurred a total loss of S$2,250,000 (2021: S$2,856,000) and S$1,745,000 (2021: S$1,903,000) respectively and the Group also incurred net operating cash outflows of S$1,050,000 (2021: S$683,000) for the financial year ended 31 December 2022. As at 31 December 2022, the Group's and the Company's current liabilities exceeded its current assets by S$3,453,000 (2021: S$3,841,000) and S$1,019,000 (2021: S$1,238,000) respectively and the Group has net liabilities of S$1,121,000.

The Board of Directors (including the Audit Committee) believe that the use of the going concern assumption in preparing the financial statements for the financial year ended 31 December 2022 is appropriate after taking into consideration the following assumptions and measures:

(i) On 23 August 2022, the Company received a financial support undertaking letter from Dato' Ng Tian Sang @ Ng Kek Chuan, whereby he will undertake, for as long as he is a substantial shareholder of the Company, to provide continuing financial cash flow support to the Group to enable it to continue its operations as a going concern and to meet its liabilities as and when they fall due for the next 18 months.

(ii) The Company has entered into advance agreements (the "**Advance Agreements**") with each of Lee Heuk Ping, Yap Mee Lee, Dato' Ng Tian Sang @ Ng Kek Chuan in August 2022 and Ong Chee Koen and Pang Tee Nam (collectively, the "**Lenders**") in October 2022 pursuant to which the Lenders have agreed to extend unsecured interest-bearing loans for an aggregate amount of S$915,000.

The loans are to be repaid by the Company 18 months from the date of the respective Advance Agreements, with an option for the Company and the respective Lenders to extend the repayment date for another 6 months. The interest rate for the loans extended by the Lenders (excluding Dato' Ng Tian Sang @ Ng Kek Chuan) is 6% per annum, while the interest rate for the loans extended by Dato' Ng Tian Sang @ Ng Kek Chuan is 4% per annum. As of the date of this announcement, the Company has received all the loans amounting to S$915,000. Except for Dato' Ng Tian Sang @ Ng Kek Chuan, who is the Deputy Chairman and CEO of the Company and a substantial shareholder of the Company, the Lenders have signed a letter, confirming that they are independent and unrelated to the Company, save that (a) Yap Mee Lee holds shares in the Company, comprising less than 5% of the total issued share capital of the Company and is a director of Albedo Corporation Pte Ltd, a wholly-owned subsidiary of the Company and (b) Lee Heuk Ping and Pang Tee Nam hold shares in the Company, and each of their respective shareholding interests is less than 5% of the total issued share capital of the Company. The Company is able to repay the above loans on their respective repayment dates.

(iii) On 24 August 2022, the Company also entered into a service agreement with 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 Ipoh Sdn Bhd, Beverly Dentistree Sdn Bhd, Natasha Beverly Sdn Bhd, Natasha Beverly Dental Sdn Bhd, Natasha Beverly Mizu Sdn Bhd and Natasha Beverly Aesthetics Sdn Bhd. ("**BW Malaysia Entities**"), pursuant to which the BW Malaysia Entities will pay an aggregate of S$300,000 as service fees for the management services provided by the Company to the BW Malaysia Entities for the period from July 2022 to December 2023 and such service fees will be payable regardless of whether the BW Malaysia Entities are profitable or loss-making.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 4. Going concern (cont'd)

The provision of management services by the Company to the BW Malaysia Entities constitutes an interested person transaction under Chapter 9 of the Listing Rules and is subject to shareholders' approval at an extraordinary general meeting to be convened by the Company. In the event that the provision of management services by the Company to the BW Malaysia Entities is not approved by shareholders, Dato' Ng Tian Sang @ Ng Kek Chuan will provide financial support for any shortfall requirements in working capital pursuant to his financial support undertaking referred to in sub-paragraph (i) above.

(iv) The BW Malaysia Entities have confirmed in writing to the Company that they do not require any additional funding from the Company to continue their operations for the next 18 months as of the date of this announcement.

(v) The improved financial performance of the aesthetic medical and healthcare segment in Malaysia is expected to continue.

The Beverly Wilshire group of companies in Malaysia, which contributed about 95.8% of the Group's revenue during the financial year ended 31 December 2022 ("**FY2022**"), has turned around despite the challenges of operating under COVID-19 restrictions, with its best financial performance since inception of business operations in 2012. The Group's revenue from the aesthetic medical and healthcare segment increased by 14% to S$10.1 million in FY2022 from S$8.8 million in the previous financial year ended 31 December 2021 ("**FY2021**").

The newly incorporated entities in the financial years ended 31 December 2020 and 31 December 2021 ("**FY2020**" and "**FY2021**" respectively), namely Natasha Beverly Sdn Bhd, Beverly Ipoh Sdn Bhd, Natasha Beverly Aesthetics Sdn Bhd, Natasha Beverly Dental Sdn Bhd, Beverly Dentistree Sdn Bhd and Natasha Beverly Mizu Sdn Bhd contributed an aggregate of S$1.3 million of revenue to the Group in FY2022, a 44% increase as compared to S$0.9 million in FY2021.

Due to the border closure measures undertaken by the Malaysian government during the COVID-19 pandemic, the above was achieved solely through the domestic market. The historical track records have shown that the Beverly Wilshire group of companies' overseas business contribution to the total revenue of the Group constitutes approximately 40% to 45% on average. With Malaysia opening its door to tourism on 1 April 2022, after over two years of closure due to the COVID-19 pandemic, the Group is experiencing an inflow of foreign clients from Australia and New Zealand into Malaysia and the Group's aesthetic medical and healthcare segment has benefited from this inflow as shown in FY2022 which recorded an increase in revenue of 14% to S$10.1 million from S$8.8 million in FY2021.

The Company is intending to make further acquisitions, which, if and when completed, are expected to generate additional revenue for the Group, support the Group's cashflow, and ensure that the Group can continue to operate as a going concern.

(vi) Subject to obtaining the permission and necessary approvals of SGX-ST, the Company also intends to raise funds of about S$2 million or more via future fund-raising exercises, and the Company intends to allocate at least 50% of the gross proceeds raised to make profitable acquisitions to further support the Company to operate as a going concern.

# Notes to the Financial Statements
For the financial year ended 31 December 2022

## 5. Revenue

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services 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.

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| **At a point in time** | | |
| Aesthetic services | | |
| – Malaysia | 10,071 | 8,801 |
| Sales of goods – Steel raw materials | | |
| – Singapore | 439 | 173 |
| | 10,510 | 8,974 |

## 6. Other income

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Interest income from bank deposits | 3 | –* |
| Rental income on operating lease | 6 | 45 |
| Rental rebates | 23 | – |
| Rent concessions(1) | – | 180 |
| Gain due to modification of lease | – | 143 |
| Government grants – Government-Paid Child Care Leave(2) | 1 | – |
| Government grants – Government-Paid Maternity Leave(3) | – | 13 |
| Government grants – Jobs Support Scheme(4) | – | 18 |
| Government grants – Wages Subsidy Programme(5) | 4 | 89 |
| Vaccination income | 16 | 38 |
| Reversal of provision of loss allowance | – | 6 |
| Share services fee income | 53 | 68 |
| Others | 45 | 54 |
| | 151 | 654 |

(1) Included within are COVID-19 related rent concessions received from lessors of approximately S$Nil (2021: S$180,000) to which the Group applied the practical expedient as disclosed in Note 2.1.

(2) 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.

(3) Government-Paid Maternity Leave ("**GPML**") are provided to working mothers under the GPML scheme to recover from delivery and caring for their newborn children.

(4) The Jobs Support Scheme ("**JSS**") was introduced to provide wage support to employers in Singapore to retain local employees during the period of economic uncertainty.

(5) The Wage Subsidy Programme in Malaysia was introduced to help businesses affected by the COVID-19 pandemic to sustain companies and lower retrenchment rates.

* Less than S$1,000

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 7. Other losses, net

| | Group 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|
| Loss allowances on trade receivables (Note 29(b)(i)) | (141) | – |
| Loss on disposal of subsidiary corporation | – | (54) |
| Property, plant and equipment written-off/disposal | – | (11) |
| Foreign exchange loss | (7) | – |
| Other | (7) | – |
| | (155) | (65) |

## 8. Expenses by nature

| | Group 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|
| Agent commission | 268 | 182 |
| Amortisation of intangible assets (Note (21(b)) | 386 | 385 |
| Consultant fees | 107 | 167 |
| Depreciation of property, plant and equipment (Note 18) | 1,531 | 1,575 |
| Directors' fees | 149 | 164 |
| Doctors' commissions | 1,031 | 1,038 |
| Employee compensation (Note 9) | 4,839 | 4,989 |
| Entertainment expenses | 2 | 14 |
| Electricity expenses | 122 | 90 |
| Fees on audit services paid/payable to: | | |
| – Auditor of the Company | 143 | 165 |
| – Other auditors | 39 | 37 |
| IT expenses | 11 | 6 |
| Insurance | 80 | 70 |
| Loss allowances on trade receivables | 141 | – |
| Marketing expenses | 173 | 117 |
| Purchase of inventories | 2,508 | 2,005 |
| Printing and stationery | 32 | 13 |
| Professional fees | 461 | 421 |
| Rental expense – short-term leases | 5 | 11 |
| Transportation expenses | 20 | 16 |
| Travelling and accommodation | 89 | 10 |
| Changes in inventories | 70 | (8) |
| Other | 482 | 835 |
| Total cost of sales, distribution and administrative expenses | 12,689 | 12,302 |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 9. Employee compensation

| | Group 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|
| Wages and salaries | 4,445 | 4,587 |
| Employer's contribution to defined contribution plans | 360 | 369 |
| Other short-term benefits | 34 | 33 |
| | 4,839 | 4,989 |

## 10. Finance expenses

| | Group 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|
| Interest expense | | |
| – Borrowings (non-related party) | 64 | 4 |
| – Borrowings (related party) | – | 29 |
| – Bank overdrafts | 28 | 23 |
| – Invoice financing | 14 | 13 |
| – Lease liabilities (Note 19(c)) | 140 | 206 |
| | 246 | 275 |

## 11. Income tax credit

| | Group 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|
| Tax credit attributable to loss is made up of: | | |
| Loss for the financial year: | | |
| – Deferred income tax (Note 24) | (175) | (159) |
| (Under)/over provision in prior financial years: | | |
| – Current income tax | (4) | 1 |
| | (179) | (158) |

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 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|
| Loss before income tax | (2,429) | (3,014) |
| Tax calculated at tax rate of 17% (2021: 17%) | (413) | (512) |
| Effects of: | | |
| – Different tax rates in other countries | (36) | (69) |
| – Expenses not deductible for tax purposes | 214 | 233 |
| – Unrecognised tax losses | 366 | 456 |
| – Utilisation of previously unrecognised tax losses | (306) | (267) |
| – Over provision of income tax in prior financial years | (4) | 1 |
| Tax credit | (179) | (158) |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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.

| | 2022 | 2021 |
|---|---|---|
| Net loss attributable to equity holders of the Company (S$'000) | (2,115) | (2,500) |
| Weighted average number of ordinary shares outstanding for basic loss per share ('000) | 19,465,004 | 17,094,188 |
| Basic loss per share (cents per share) | (0.01) | (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:

| | 2022 | 2021 |
|---|---|---|
| Net loss attributable to equity holders of the Company (S$'000) | (2,115) | (2,500) |
| Weighted average number of ordinary shares outstanding for diluted loss per share ('000) | 19,465,004 | 17,094,188 |
| Adjustments for ('000) | | |
| – Employee share options (Note 25(a)) | 38,488 | 38,488 |
| – Warrants | 4,327,907 | 4,117,907 |
| | 4,366,395 | 4,156,395 |
| Diluted loss per share (cents per share) | (0.01)# | (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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 13. Cash and cash equivalents

| | Group 2022 S$'000 | Group 2021 S$'000 | Company 2022 S$'000 | Company 2021 S$'000 |
|---|---|---|---|---|
| Cash at bank and on hand | 714 | 789 | 529 | 192 |
| Short-term bank deposit[1] | 194 | 124 | – | – |
| | 908 | 913 | 529 | 192 |

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

| | Group 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|
| Cash and bank balances (as above) | 908 | 913 |
| Less: Bank deposits pledged[1] | (194) | (124) |
| Less: Bank overdrafts (Note 23) | (330) | – |
| Cash and cash equivalents per consolidated statement of cash flows | 384 | 789 |

[1] Bank deposits are pledged in relation to banking facilities granted to a subsidiary corporation of the Company.

## 14. Trade and other receivables

| | Group 2022 S$'000 | Group 2021 S$'000 | Company 2022 S$'000 | Company 2021 S$'000 |
|---|---|---|---|---|
| Trade receivables | | | | |
| – Non-related parties | 227 | 241 | – | – |
| – Related parties | 6 | 5 | – | – |
| | 233 | 246 | – | – |
| Less: Loss allowance (Note29(b)(i)) | (183) | (42) | – | – |
| | 50 | 204 | – | – |
| Other receivables | | | | |
| – Subsidiary corporations | – | – | 731 | 643 |
| – Related parties | 38 | 20 | 15 | – |
| – Non-related parties | 161 | 95 | 4 | 17 |
| | 199 | 115 | 750 | 660 |
| Deposits | 404 | 388 | 65 | 36 |
| Prepayments | 161 | 217 | 25 | 43 |
| | 814 | 924 | 840 | 739 |

The average credit period of trade receivables is 60 days (2021: 60 days). No interest is charged on the trade receivables.

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

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 15. Inventories

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Drugs, medicine and medical consumables | 477 | 407 |
| Recognised as an expense and included in "Cost of sales" | | |
| – Finished/trading goods | 400 | 155 |
| – Drugs, medicine and medical consumables | 2,178 | 1,842 |

## 16. Settlement shares and warrants receivables

During the financial year ended 31 December 2020, the Directors of the Company approved the plan to unwind the acquisition of Brand X Lab Pte Ltd ("**Brand X**"). Subsequently, on 16 February 2021, the Company entered into an unwinding and settlement agreement (the "**Agreement**") with Tan Suying ("**TSY**") in respect of the mutual agreement by TSY and the Company to unwind the acquisition of Brand X.

On 18 January 2022, TSY and the Company entered into a supplemental agreement (the "**Supplemental Agreement**") to amend, modify and vary the terms and provisions of the Agreement. The key modifications to the Agreement are summarised below:

- TSY to refrain from exercising the voting rights and transfer of the consideration shares and warrants that she received from the acquisition;

- The methods for the unwinding of the acquisition shall be by way of capital reduction pursuant to Division 3A (Part IV) of the Companies Act, and subject always to due compliance with and observation of the applicable provisions of the Catalist Rules of the SGX-ST and the Constitution of the Company which shall result in the cancellation of the 1,583,333,333 ordinary shares of the Company held by TSY as part of the consideration for the disposal and transfer of the 100,000 ordinary shares of Brand X to TSY. Selective off-market share buy-back as a method of unwinding the acquisition was removed;

- TSY and the Company shall endeavour to complete the unwinding of the acquisition by no later than 31 August 2022, failing which, both parties shall continue to assist each other in unwinding the acquisition as soon as possible;

- The mutual agreement to unwind the acquisition is irrevocable, and neither TSY nor the Company shall be entitled or have the right to terminate the Agreement and the unwinding of the acquisition; and

- The date of effective transfer of any and all rights and entitlements, as well as any and all obligations attached to the 100,000 ordinary shares of Brand X, being the sale shares, shall remain 1 January 2021 or such earliest date permissible under applicable laws and regulations as well as the financial reporting standards.

Accordingly, Brand X is de-consolidated from 1 January 2021. The fair value of the consideration receivable for the unwinding of Brand X amounting to S$3,557,000 is classified as "Settlement shares and warrants receivables" on the Company and Group's balance sheet on 1 January 2021 and as at 31 December 2021 and 31 December 2022.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 17. Investments in subsidiary corporations

| | Company 2022 S$'000 | Company 2021 S$'000 |
|---|---|---|
| *Equity investments at cost* | | |
| Beginning of financial year | 6,491 | 25,174 |
| Written off | – | (18,683) |
| End of financial year | 6,491 | 6,491 |
| *Allowance for impairment loss* | | |
| Beginning of financial year | 4,074 | 22,757 |
| Written off | – | (18,683) |
| End of financial year | 4,074 | 4,074 |
| **Carrying amount** | 2,417 | 2,417 |

Management assessed for impairment whenever there is any objective evidence or indication that investments in subsidiary corporations may be impaired. Loss allowance amounting to S$Nil (2021: S$Nil) 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 year ended 31 December 2022. The recoverable amount was determined using the net tangible asset value in financial year ended 31 December 2022, the recoverable amount was determined using the value-in-use method based on cash flows 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 21(a) to the financial statements.

The Group has the following subsidiary corporations as at 31 December 2022 and 2021:

| Name | Principal activities | Country of business/ incorporation | Proportion of ordinary shares held by the Company 2022 % | Proportion of ordinary shares held by the Company 2021 % | Proportion of ordinary shares held by the Group 2022 % | Proportion of ordinary shares held by the Group 2021 % | Proportion of ordinary shares held by non-controlling interests 2022 % | Proportion of ordinary shares held by non-controlling interests 2021 % |
|---|---|---|---|---|---|---|---|---|
| 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 | – | – |
| JCG-Beverly Pte. Ltd.(1) | Investment holding and provision of management services | Singapore | 100 | 100 | 100 | 100 | – | – |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 17. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 December 2022 and 2021: (cont'd)

| Name | Principal activities | Country of business/ incorporation | Proportion of ordinary shares held by the Company | | Proportion of ordinary shares held by the Group | | Proportion of ordinary shares held by non-controlling interests | |
|---|---|---|---|---|---|---|---|---|
| | | | 2022 % | 2021 % | 2022 % | 2021 % | 2022 % | 2021 % |
| Held by JCG-Beverly Pte. Ltd. | | | | | | | | |
| Beverly Wilshire Medical Centre Sdn. Bhd.(2)(3) | Provision of cosmetic and plastic surgery, health screening and as medical specialist centre with out-patient and day care services and activities | Malaysia | – | – | 51 | 51 | 49 | 49 |
| Beverly Wilshire Medical Centre (JB) Sdn. Bhd.(2)(3) | Provision of aesthetic and cosmetic surgery and reconstructive surgery | Malaysia | – | – | 51 | 51 | 49 | 49 |
| Beverly Wilshire Tropicana City Mall Sdn. Bhd.(2)(3) | Provision of cosmetological and aesthetical related treatments | Malaysia | – | – | 51 | 51 | 49 | 49 |
| Beverly Wilshire Aesthetic Dental Centre Sdn. Bhd.(2)(3) | Provision of aesthetic dental care | Malaysia | – | – | 51 | 51 | 49 | 49 |
| Beverly Wilshire Hair Transplant Sdn. Bhd.(2)(3)(4) | Provision of hair transplant care | Malaysia | – | – | 51 | 51 | 49 | 49 |
| Beverly Dentistree Sdn. Bhd (f.k.a Beverly Medical Centre Sdn. Bhd)(2)(3)(5)(6) | Provision of aesthetic dental care | Malaysia | – | – | 70 | 70 | 30 | 30 |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 17. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 December 2022 and 2021: (cont'd)

| Name | Principal activities | Country of business/ incorporation | Proportion of ordinary shares held by the Company | | Proportion of ordinary shares held by the Group | | Proportion of ordinary shares held by non-controlling interests | |
|---|---|---|---|---|---|---|---|---|
| | | | 2022 % | 2021 % | 2022 % | 2021 % | 2022 % | 2021 % |
| Held by JCG-Beverly Pte. Ltd. (cont'd) | | | | | | | | |
| Beverly Wilshire Medical Academy and Research Centre Sdn. Bhd.(2)(3) | Provision of aesthetic, cosmetic and plastic surgery, healthy aging therapy, health screening and wellness and medical research | Malaysia | – | – | 69* | 69* | 31 | 31 |
| Natasha Beverly Sdn. Bhd.(2)(3)(7) | Provision of physiotherapy, spa, reflexology services and activities | Malaysia | – | – | 56 | 56 | 44 | 44 |
| Beverly Ipoh Sdn. Bhd.(2)(3)(8) | Provision of aesthetic medicine and related activities | Malaysia | – | – | 70 | 70 | 30 | 30 |
| Held by Beverly Wilshire Medical Centre Sdn Bhd | | | | | | | | |
| Beverly Wilshire Cosmetic Surgery Centre Sdn. Bhd.(2)(3)(4) | Provision of cosmetic and plastic surgery treatment and services | Malaysia | – | – | 51 | 51 | 49 | 49 |

* 18% is held through Beverly Wilshire Medical Centre Sdn. Bhd.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 17. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 December 2022 and 2021: (cont'd)

| Name | Principal activities | Country of business/ incorporation | Proportion of ordinary shares held by the Company | | Proportion of ordinary shares held by the Group | | Proportion of ordinary shares held by non-controlling interests | |
|---|---|---|---|---|---|---|---|---|
| | | | 2022 % | 2021 % | 2022 % | 2021 % | 2022 % | 2021 % |
| Held by Natasha Beverly Sdn. Bhd | | | | | | | | |
| Natasha Beverly Dental Sdn. Bhd. (f.k.a Spinalive Beverly Sdn. Bhd.)(2)(3)(9) | Provision of aesthetic dental services | Malaysia | – | – | 39# | 39# | 61 | 71 |
| Natasha Beverly Mizu Sdn. Bhd. (f.k.a DS Beverly Sdn. Bhd.)(2)(3)(10) | Provision of healthy aging, regenerative medicine, health screening services and medical spa procedures | Malaysia | – | – | 39 | 39 | 61 | 61 |
| Natasha Beverly Aesthetics Sdn. Bhd.(2)(3)(11) | Provision of aesthetic medicine and related activities | Malaysia | – | – | 31 | 31 | 69 | 69 |

# 7% is held through Beverly Wilshire Aesthetic Dental Centre Sdn. Bhd.

(1) Audited by RT LLP.

(2) For the purpose of the consolidated financial statements, these financial statements are reviewed and/or audited by RT LLP

(3) Audited by SC Teh & Co, Chartered Accountants, Malaysia.

(4) Beverly Wilshire Hair Transplant Sdn. Bhd. and Beverly Wilshire Cosmetic Surgery Centre Sdn. Bhd. remains dormant during the financial years ended 31 December 2022 and 2021, however it have not opted for audit exemption.

(5) On 21 June 2021, Beverly Dentistree Sdn. Bhd ("**BDSB**") has changed its business activities from provision of cosmetic and plastic surgery and as a medical specialist centre, with out-patient, in-patient and day care service and activities to the provision of aesthetic dental care. The Company has commenced its business operation in financial year ended 31 December 2021.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 17. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 December 2022 and 2021: (cont'd)

(6) JCG-Beverly Pte. Ltd ("**JCGB**") had entered into a trust deed dated 20 September 2019 (being date of incorporation of Beverly Dentistree Sdn. Bhd (f.k.a 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 Dentistree Sdn. Bhd (f.k.a 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.

BMC Trustees had, on 30 July 2020, transferred all the BMC ordinary shares to JCGB for an aggregate nominal consideration of RM100.

On 8 July 2021, Beverly Dentistree Sdn. Bhd (f.k.a Beverly Medical Centre Sdn. Bhd) had increased its issued and paid-up share capital from 100 shares to 350,000 ordinary shares. The shareholding interest of JCGB in Beverly Dentistree Sdn. Bhd (f.k.a Beverly Medical Centre Sdn. Bhd) had changed from 100% to 70%.

(7) Newly incorporated on 24 January 2020. JCG-Beverly Pte. Ltd ("**JCGB**") had entered into a trust deed dated 24 January 2020 (being date of incorporation of Natasha Beverly Sdn. Bhd.) with Howard Ng How Er ("**NBSB Trustee**") in respect of 100 ordinary shares in the issued and paid-up share capital of Natasha Beverly Sdn. Bhd. ("**NBSB Trust Deed**"). Pursuant to the NBSB Trust Deed, the NBSB Trustee declared a trust over the 56 ordinary shares, in favour of JCGB.

On 21 December 2020, NBSB had increased its issued and paid-up share capital from 100 ordinary shares to 1,500,000 ordinary shares, of which 840,000 ordinary shares (from 24 January 2020 to 20 December 2020: 56 ordinary shares) are legally and beneficially held by the NBSB Trustee. JCGB had entered into a supplemental trust deed dated 21 December 2020 with NBSB Trustee to declare a trust over his additional 839,944 ordinary shares in favour of JCGB.

As the increase in the share capital of NBSB is on a pro rata basis, the shareholding structure of NBSB and the 56% shareholding interest of JCGB in NBSB remain the same.

(8) Newly incorporated on 7 April 2020. JCG-Beverly Pte. Ltd ("**JCGB**") had entered into a trust deed dated 17 April 2020 with Howard Ng How Er ("**BISB Trustee**") in respect of 100 ordinary shares in the issued and paid-up share capital of Beverly Ipoh Sdn. Bhd. ("**BISB Trust Deed**"). Pursuant to the BISB Trust Deed, the BISB Trustee declared a trust over the 51 ordinary shares, in favour of JCGB. Pursuant to the transfer of 19 ordinary shares of BISB from Dr Elaine Chong Yee Leng, a shareholder of BISB to the BISB Trustee on 19 August 2020, the BISB Trustee declared a trust over from 51 ordinary shares to 70 ordinary shares, in favour of JCGB.

On 7 May 2021, BISB had increased its issued and paid-up share capital from 100 ordinary shares to 400,000 ordinary shares, of which 280,000 ordinary shares are legally and beneficially held by the BISB Trustee. JCGB had entered into a supplemental trust deed dated 11 June 2021 with BISB Trustee to declare a trust over his additional 279,930 ordinary shares in favour of JCGB.

On 8 July 2021, BISB has allotted 50,000 ordinary shares and increased its issued and paid-up share capital from 400,000 shares to 450,000 ordinary shares. JCGB had entered a second supplemental trust deed dated 8 July 2021 with the BISB Trustee to declare a trust over his additional 35,000 ordinary shares in favour of JCGB. As the increase in the share capital of BISB is on a pro rata basis, the shareholding structure of BISB and the 70% shareholding interest of JCGB in BISB remain the same.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 17. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 December 2022 and 2021: (cont'd)

(9) Newly incorporated on 10 March 2020.

On 15 March 2020, NBSB entered into a binding term sheet (the "**Term Sheet**") with Spinalive to establish a joint venture, Spinalive Beverly Sdn Bhd ("**SBSB**"), for the purposes of providing services of 'pain management', including but not limited to chiropractic and physiotherapy services. On 30 April 2020, the Term Sheet was terminated due to the pandemic situation caused by COVID-19 lasting longer than anticipated, leading to more uncertainties than previously foreseen. Following the termination of the Term Sheet, Spinalive transferred its 49% shareholdings in SBSB on 4 March 2021 to NBSB for an aggregate nominal consideration of RM49, accordingly, SBSB became a 100% subsidiary of NBSB and SBSB was renamed as Natasha Beverly Dental Sdn Bhd ("**NBDSB**") on 7 April 2021.

On 11 May 2021, NBDSB's business activities was changed to the provision of aesthetic dental care. On 25 August 2021, NBSB and Beverly Wilshire Aesthetic Dental Centre Sdn Bhd ("**BWAD**") and Arlena Philip Lee ("**Dr Arlena**") entered into a definitive agreement to establish a joint venture company. The shareholdings interest of NBSB, Dr Arlena and BWAD are 56%, 30% and 14% respectively.

On 14 November 2022, NBDSB had increased its issued and paid-up share capital from 100 ordinary shares to 861,368 ordinary shares.

(10) Newly incorporated on 15 July 2020.

On 15 July 2020, Natasha Beverly Sdn. Bhd. ("**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. The shareholdings interest of NBSB and DS were 70% and 30% respectively. Subsequently, the Parties have mutually agreed to terminate the joint venture on 29 July 2021 due to the border lockdown between Malaysia and other countries arising from the current pandemic situation caused by COVID-19.

On 22 September 2021, NBSB entered into a definitive agreement (the "**Agreement**") with Mizu Skin Beauty ("**Mizu**") to establish a joint venture company in Malaysia to be known as "Natasha Beverly Mizu Sdn Bhd" (the "**JVCo**") for the purposes of providing medical spa ("**MediSpa**") services. On 12 October 2021, DS Beverly Sdn. Bhd. changed its name to Natasha Beverly Mizu Sdn. Bhd. On 25 October 2021, Natasha Beverly Mizu Sdn. Bhd. added the provision of medical spa procedures and related services to its existing business activities which include the provision of healthy aging, regenerative medicine, health screening, dermatology and preventive medicine services. The shareholdings interest of NBSB and Mizu are 70% and 30% respectively.

(11) Newly incorporated on 11 August 2020. Natasha Beverly Sdn. Bhd. ("**NBSB**") had entered into a trust deed dated 25 November 2020 with Howard Ng How Er and Alexander Ng Zhonglie (collectively, the "**NBASB Trustees**") in respect of 100 ordinary shares in the issued and paid-up share capital of Natasha Beverly Aesthetics Sdn. Bhd. ("**NBASB Trust Deed**"). Pursuant to the NBASB Trust Deed, the NBASB Trustees declared a trust over the 56 ordinary shares, in favour of NBSB. NBSB had on 15 February 2021 entered into a definitive agreement with BBSB to establish the joint venture using NBASB for the purposes of providing aesthetic medicine services. The shareholdings interest of NBSB and BBSB are 56% and 44% respectively.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 17. Investments in subsidiary corporations (cont'd)

*Carrying value of non-controlling interests*

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Beverly Wilshire Medical Centre Sdn Bhd | (69) | (132) |
| Beverly Wilshire Medical Centre (JB) Sdn Bhd | 350 | 428 |
| Beverly Wilshire Tropicana City Mall Sdn Bhd | 5 | 31 |
| Beverly Wilshire Aesthetic Dental Centre Sdn Bhd | (141) | (120) |
| Beverly Wilshire Medical Academy and Research Centre Sdn Bhd | (4) | 15 |
| Natasha Beverly Sdn Bhd | (41) | 24 |
| Other subsidiary corporations with immaterial non-controlling interests | 106 | 16 |
| Total | 206 | 262 |

*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 2022 and 2021.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 17. 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 | |
|---|---|---|---|---|---|---|---|---|
| | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 |
| **Current** | | | | | | | | |
| Assets | 1,545 | 1,545 | 403 | 558 | 206 | 262 | 82 | 167 |
| Liabilities | (2,276) | (2,601) | (622) | (1,044) | (256) | (324) | (463) | (517) |
| Total current net liabilities | (731) | (1,056) | (219) | (486) | (50) | (62) | (381) | (350) |
| **Non-current** | | | | | | | | |
| Assets | 906 | 1,216 | 1,730 | 2,306 | 85 | 147 | 114 | 125 |
| Liabilities | (315) | (430) | (796) | (947) | (24) | (21) | (21) | (20) |
| Total non-current assets | 591 | 786 | 934 | 1,359 | 61 | 126 | 93 | 105 |
| **Net (liabilities)/assets** | (140) | (270) | 715 | 873 | 11 | 64 | (288) | (245) |

| | Beverly Wilshire Medical Academy and Research Centre Sdn Bhd | | Natasha Beverly Sdn Bhd | |
|---|---|---|---|---|
| | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 |
| **Current** | | | | |
| Assets | 5 | 6 | 80 | 214 |
| Liabilities | (172) | (153) | (537) | (421) |
| Total current net liabilities | (167) | (147) | (457) | (207) |
| **Non-current** | | | | |
| Assets | 155 | 200 | 801 | 849 |
| Liabilities | – | (4) | (438) | (587) |
| Total non-current assets | 155 | 196 | 363 | 262 |
| **Net (liabilities)/assets** | (12) | 49 | (94) | 55 |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 17. 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 | |
|---|---|---|---|---|---|---|---|---|
| | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 |
| **Revenue** | 5,013 | 4,208 | 2,455 | 2,532 | 598 | 481 | 703 | 644 |
| **Profit/(loss) before income tax** | 518 | (117) | 93 | (155) | 15 | (136) | –* | (54) |
| Income tax credit | 3 | 91 | – | 36 | – | 11 | –* | 14 |
| **Net profit/(loss)** | 521 | (26) | 93 | (119) | 15 | (125) | –* | (40) |
| Other comprehensive income | – | – | – | – | – | – | – | – |
| **Total comprehensive income/(loss)** | 521 | (26) | 93 | (119) | 15 | (125) | –* | (40) |
| **Total comprehensive income/(loss) allocated to non-controlling interests** | 255 | (13) | 46 | (58) | 7 | (61) | –* | (20) |

* Less than S$1,000

| | Beverly Wilshire Medical Academy and Research Centre Sdn Bhd | | Natasha Beverly Sdn Bhd | |
|---|---|---|---|---|
| | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 |
| **Revenue** | 36 | 53 | 56 | 43 |
| **Loss before income tax** | (50) | (66) | (151) | (266) |
| Income tax credit | – | 4 | – | – |
| **Net loss** | (50) | (62) | (151) | (266) |
| Other comprehensive income | – | – | – | – |
| **Total comprehensive loss** | (50) | (62) | (151) | (266) |
| **Total comprehensive loss allocated to non-controlling interests** | (16) | (19) | (66) | (117) |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 17. 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 | |
|---|---|---|---|---|---|---|---|---|
| | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 |
| **Net cash inflow/(outflow) from operating activities** | 589 | 467 | (116) | 312 | 4 | 89 | 72 | 37 |
| **Net cash (outflow)/inflow from investing activities** | (130) | (141) | (9) | –* | (2) | (15) | (46) | 11 |
| **Net cash outflow from financing activities** | (861) | (101) | (86) | (110) | (47) | (55) | (38) | (40) |
| **Net increase/(decrease) in cash and cash equivalents** | (402) | 225 | (211) | 202 | (45) | 19 | (12) | 8 |
| **Beginning of financial year** | 79 | (146) | 241 | 39 | 106 | 88 | 34 | 26 |
| Effect of currency translation on cash and cash equivalent | 6 | – | (10) | – | (5) | (1) | (2) | – |
| **End of financial year** | (317) | 79 | 20 | 241 | 56 | 106 | 20 | 34 |

| | Beverly Wilshire Medical Academy and Research Centre Sdn Bhd | | Natasha Beverly Sdn Bhd | |
|---|---|---|---|---|
| | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 |
| **Net cash inflow from operating activities** | 7 | 4 | 286 | 48 |
| **Net cash inflow/(outflow) from investing activities** | – | – | (147) | 74 |
| **Net cash outflow from financing activities** | (6) | (6) | (150) | (141) |
| **Net increase/(decrease) in cash and cash equivalents** | 1 | (2) | (11) | (19) |
| **Beginning of financial year** | 2 | 4 | 14 | 35 |
| Effect of currency translation on cash and cash equivalent | – | – | (1) | (2) |
| **End of financial year** | 3 | 2 | 2 | 14 |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 18. Property, plant and equipment

| Group | Office equipment and fixtures S$'000 | Renovation S$'000 | Medical and laboratory equipment S$'000 | Motor vehicle S$'000 | Signboard and signage S$'000 | Office and medical centre S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | |
| ***Cost*** | | | | | | | |
| Beginning of financial year | 2,267 | 4,279 | 6,084 | 104 | 83 | 5,067 | 17,884 |
| Currency translation differences | (130) | (254) | (371) | (6) | (5) | (300) | (1,066) |
| Additions | 19 | 9 | 189 | – | – | 1,069 | 1,286 |
| Write-off | –* | (28) | – | – | (5) | (487) | (520) |
| End of financial year | 2,156 | 4,006 | 5,902 | 98 | 73 | 5,349 | 17,584 |
| ***Accumulated depreciation*** | | | | | | | |
| Beginning of financial year | 1,527 | 2,982 | 5,076 | 104 | 47 | 3,130 | 12,866 |
| Currency translation differences | (94) | (183) | (338) | (6) | (3) | (184) | (808) |
| Depreciation charge | 132 | 174 | 413 | –* | 8 | 804 | 1,531 |
| Write-off | –* | (28) | – | – | (5) | (487) | (520) |
| End of financial year | 1,565 | 2,945 | 5,151 | 98 | 47 | 3,263 | 13,069 |
| ***Net book value*** | | | | | | | |
| **End of financial year** | 591 | 1,061 | 751 | – | 26 | 2,086 | 4,515 |

* Less than S$1,000

# Notes to the Financial Statements
For the financial year ended 31 December 2022

## 18. Property, plant and equipment (cont'd)

| Group | Office equipment and fixtures S$'000 | Renovation S$'000 | Medical and laboratory equipment S$'000 | Motor vehicle S$'000 | Signboard and signage S$'000 | Office and medical centre S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|---|
| **2021** | | | | | | | |
| ***Cost*** | | | | | | | |
| Beginning of financial year | 2,241 | 4,316 | 5,738 | 104 | 82 | 5,017 | 17,498 |
| Currency translation differences | (6) | (13) | (19) | –* | –* | (14) | (52) |
| Additions | 43 | 70 | 420 | – | 1 | 141 | 675 |
| Write-off | (11) | (94) | (55) | – | – | – | (160) |
| Effect of lease modification | – | – | – | – | – | (77) | (77) |
| End of financial year | 2,267 | 4,279 | 6,084 | 104 | 83 | 5,067 | 17,884 |
| ***Accumulated depreciation*** | | | | | | | |
| Beginning of financial year | 1,378 | 2,918 | 4,734 | 100 | 39 | 2,374 | 11,543 |
| Currency translation differences | (6) | (13) | (6) | –* | –* | (7) | (32) |
| Depreciation charge | 155 | 171 | 403 | 4 | 8 | 834 | 1,575 |
| Write-off | –* | (94) | (55) | – | – | – | (149) |
| Effect of lease modification | – | – | – | – | – | (71) | (71) |
| End of financial year | 1,527 | 2,982 | 5,076 | 104 | 47 | 3,130 | 12,866 |
| ***Net book value*** | | | | | | | |
| **End of financial year** | 740 | 1,297 | 1,008 | – | 36 | 1,937 | 5,018 |

* Less than S$1,000

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 18. Property, plant and equipment (cont'd)

| | Office equipment and fixtures S$'000 | Renovation S$'000 | Signboard and signage S$'000 | Office and medical centre S$'000 | Total S$'000 |
|---|---|---|---|---|---|
| **Company** | | | | | |
| **2022** | | | | | |
| ***Cost*** | | | | | |
| Beginning of financial year | 14 | 28 | 5 | 487 | 534 |
| Additions | 4 | 9 | – | 211 | 224 |
| Written off | –* | (28) | (5) | (487) | (520) |
| End of financial year | 18 | 9 | – | 211 | 238 |
| ***Accumulated depreciation*** | | | | | |
| Beginning of financial year | 14 | 17 | 5 | 363 | 399 |
| Depreciation charge | 1 | 11 | – | 136 | 148 |
| Written off | –* | (28) | (5) | (487) | (520) |
| End of financial year | 15 | –* | – | 12 | 27 |
| ***Net book value*** | | | | | |
| **End of financial year** | 3 | 9 | – | 199 | 211 |
| **2021** | | | | | |
| ***Cost*** | | | | | |
| Beginning of financial year | 14 | 28 | 5 | 352 | 399 |
| Additions | – | – | – | 135 | 135 |
| End of financial year | 14 | 28 | 5 | 487 | 534 |
| ***Accumulated depreciation*** | | | | | |
| Beginning of financial year | 12 | 12 | 5 | 214 | 243 |
| Depreciation charge | 2 | 5 | – | 149 | 156 |
| End of financial year | 14 | 17 | 5 | 363 | 399 |
| ***Net book value*** | | | | | |
| **End of financial year** | – | 11 | – | 124 | 135 |

* Less than S$1,000

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 19(a) to the financial statements.

During the financial year, the Group acquired property, plant and equipment and right-of-use assets with an aggregate cost of S$1,286,000 (2021: S$675,000) of which S$1,173,000 (2021: S$350,000) were acquired by means of leases. Cash payments of S$113,000 (2021: S$325,000) were made to purchase property, plant and equipment.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 19. 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

| | 2022<br>S$'000 | 2021<br>S$'000 |
|---|---|---|
| As at December | 2,338 | 2,125 |

(b) Depreciation charge during the financial year

| | 2022<br>S$'000 | 2021<br>S$'000 |
|---|---|---|
| Depreciation of right-of-use assets | 831 | 855 |

(c) Interest expense

| | 2022<br>S$'000 | 2021<br>S$'000 |
|---|---|---|
| Interest expense on lease liabilities (Note 10) | 140 | 206 |

(d) Total cash outflows for all the leases in 2022 was S$1,081,000 (2021: S$882,000)

(e) Addition of ROU assets during the financial year 2022 was S$1,173,000 (2021: S$350,000).

## 20. 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 2022 was S$6,000 (2021: S$45,000).

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 21. Intangible assets

| | Group 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|
| Composition: | | |
| Goodwill arising on consolidation (Note 21(a)) | 664 | 664 |
| Trademark/brand (Note 21(b)) | 4 | 390 |
| | 668 | 1,054 |

*(a) Goodwill arising on consolidation*

| | Group 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|
| *Cost* | | |
| Beginning and end of financial year | 664 | 664 |
| *Accumulated impairment* | | |
| Beginning and end of financial year | – | – |
| Net book value | 664 | 664 |

*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 medical and healthcare S$'000 |
|---|---|
| **2022** | |
| Carrying value | 664 |
| **2021** | |
| Carrying value | 664 |

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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 21. Intangible assets

*(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 2022 %** | **2021 %** |
|---|---|---|
| Gross margin | 54.0-56.0 | 50.0-52.0 |
| Growth rate | 13.0-41.0 | 13.0-45.0 |
| Discount rate | 14.8 | 14.2 |

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$8,009,000 (2021: S$8,733,000) as at 31 December 2022.

*(b) Trademark/brand*

| | **Group 2022 S$'000** | **2021 S$'000** |
|---|---|---|
| *Cost* | | |
| Beginning and end of financial year | 1,160 | 1,160 |
| *Accumulated amortisation and impairment* | | |
| Beginning of financial year | 770 | 385 |
| Amortisation charge (Note 8) | 386 | 385 |
| End of financial year | 1,156 | 770 |
| *Net book value* | 4 | 390 |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 22. Trade and other payables

| | Group 2022 S$'000 | Group 2021 S$'000 | Company 2022 S$'000 | Company 2021 S$'000 |
|---|---|---|---|---|
| *Current* | | | | |
| Trade payables | | | | |
| – Non-related parties | 301 | 240 | – | – |
| Other payables | | | | |
| – Non-related parties | 1,842 | 1,025 | 1,248 | 438 |
| – Related parties | 364 | 209 | 32 | – |
| Advances received | 575 | 1,641 | – | – |
| Accruals for operating expenses | 923 | 1,356 | 413 | 807 |
| | 4,005 | 4,471 | 1,693 | 1,245 |

Other payables due to related parties 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 or loss as and when the performance obligation under the contract with customers are fulfilled.

## 23. Borrowings

| | Group 2022 S$'000 | Group 2021 S$'000 | Company 2022 S$'000 | Company 2021 S$'000 |
|---|---|---|---|---|
| (a) Lease liabilities | | | | |
| *Current* | 758 | 616 | 68 | 124 |
| *Non-current* | 1,743 | 1,643 | 137 | – |
| | 2,501 | 2,259 | 205 | 124 |
| (b) Borrowings | | | | |
| *Current* | | | | |
| Borrowings | | | | |
| – Loan 1 | – | – | 627 | 800 |
| – Loan 7 | 380 | 428 | – | – |
| Bank overdraft (Note 13) | 330 | – | – | – |
| Invoice financing | 169 | 552 | – | – |
| | 879 | 980 | 627 | 800 |
| *Non-current* | | | | |
| Borrowings | | | | |
| – Loan 2 | 300 | – | 300 | – |
| – Loan 3 | 300 | – | 300 | – |
| – Loan 4 | 105 | – | 105 | – |
| – Loan 5 | 105 | – | 105 | – |
| – Loan 6 | 105 | – | 105 | – |
| – Loan 7 | 126 | 299 | – | – |
| | 1,041 | 299 | 915 | – |
| Total | 1,920 | 1,279 | 1,542 | 800 |
| Total borrowings | 4,421 | 3,538 | 1,747 | 924 |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 23. Borrowings (cont'd)

(i) Loan 1 is from a wholly owned subsidiary of the Company, Albedo Corporation Pte Ltd, and is unsecured and interest-free with no fixed repayment terms.

(ii) Loan 2 is from Dato' Ng Tian Sang @ Ng Kek Chuan who is the Deputy Chairman and CEO of the Company and a substantial shareholder of the Company. The loan, which bears an interest rate of 4.00% per annum, is unsecured and repayable 18 months from the date of the advance agreement dated 22 August 2022, with an option for the Company and the lender to extend the repayment date for another 6 months.

(iii) Loan 3 is from Yap Mee Lee who is a shareholder of the Company (whose shareholding interest comprises less than 5% of the share capital of the Company) and a director of Albedo Corporation Pte Ltd, a wholly owned subsidiary of the Company. The loan, which bears an interest rate of 6.00% per annum, is unsecured and repayable 18 months from the date of the advance agreement dated 18 August 2022, with an option for the Company and the lender to extend the repayment date for another 6 months.

(iv) Loan 4 is from Lee Heuk Ping who is a shareholder of the Company (whose shareholding interest comprises less than 5% of the share capital of the Company). The loan, which bears an interest rate of 6.00% per annum, is unsecured and repayable 18 months from the date of the advance agreement dated 18 August 2022, with an option for the Company and the lender to extend the repayment date for another 6 months.

(v) Loan 5 is from Pang Tee Nam who is a shareholder of the Company (whose shareholding interest comprises less than 5% of the share capital of the Company). The loan, which bears an interest rate of 6.00% per annum, is unsecured and repayable 18 months from the date of the advance agreement dated 12 October 2022, with an option for the Company and the lender to extend the repayment date for another 6 months.

(vi) Loan 6 is from Ong Chee Keon who is a shareholder of the Company (whose shareholding interest comprises less than 5% of the share capital of the Company). The loan, which bears an interest rate of 6.00% per annum, is unsecured and repayable 18 months from the date of the advance agreement dated 12 October 2022, with an option for the Company and the lender to extend the repayment date for another 6 months.

(vii) Loan 7 is from United Overseas Bank (Malaysia) Berhad. The UOB Bank loan is procured in May 2020 for BWKL operations. The bank facility is secured by a corporate guarantee from the Company and personal guarantees by certain directors of the Company. The loan bears an interest rate of 1.50% per annum over the bank's prevailing 1-month effective cost of funds on monthly rests.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 23. Borrowings (cont'd)

(viii) Bank overdraft is from United Overseas Bank (Malaysia) Berhad. The bank facility is secured by a corporate guarantee from the Company and personal guarantees by certain directors of the Company. The bank overdraft bears an interest rate of 0.75% per annum over the bank's base lending rate on daily rests.

(ix) Invoice financing is from United Overseas Bank (Malaysia) Berhad. The invoice financing facility is secured by a corporate guarantee from the Company and personal guarantees by certain directors of the Company. The invoice financing bears an interest rate of 0.75% per annum over the bank's base lending rate.

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 | |
|---|---|---|---|---|
| | 2022<br>S$'000 | 2021<br>S$'000 | 2022<br>S$'000 | 2021<br>S$'000 |
| 12 months or less | 1,637 | 1,596 | 695 | 924 |
| 1- 5 years | 2,784 | 1,942 | 1,052 | – |
| | 4,421 | 3,538 | 1,747 | 924 |

*Fair value of non-current borrowings*

| | Group | | Company | |
|---|---|---|---|---|
| | 2022<br>S$'000 | 2021<br>S$'000 | 2022<br>S$'000 | 2021<br>S$'000 |
| Borrowings | 913 | 239 | 806 | – |

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 | |
|---|---|---|---|---|
| | 2022<br>S$'000 | 2021<br>S$'000 | 2022<br>S$'000 | 2021<br>S$'000 |
| Borrowings | 5.11%-7.32% | 6.98% | 5.11%-6.57% | 6.57% |

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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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 | |
|---|---|---|
| | **2022 S$'000** | **2021 S$'000** |
| **Deferred income tax liabilities** | | |
| – To be settled after one year | 67 | 242 |
| **Deferred income tax liabilities, representing fair value gain on customer relationships and property, plant and equipment** | | |
| Beginning of financial year | 242 | 401 |
| Credited to profit or loss | (175) | (159) |
| End of financial year | 67 | 242 |

The Group has unrecognised tax losses of S$1,465,000 (2021: S$1,112,000) 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

| | 2022 | | 2021 | |
|---|---|---|---|---|
| | **No. of ordinary shares '000** | **Amount S$'000** | **No. of ordinary shares '000** | **Amount S$'000** |
| Group and Company | | | | |
| Beginning of financial year | 18,662,715 | 72,994 | 15,814,936 | 71,623 |
| Shares issued pursuant to:– | | | | |
| Share subscription | 630,000 | 600 | 735,000 | 658 |
| Share issuance for part payment of employees' and directors' salaries | 388,696 | 388 | – | – |
| Rights issue | – | – | 2,112,779 | 1,882 |
| Warrants adjustments[1] | – | (95) | – | (1,169) |
| End of financial year | 19,681,411 | 73,887 | 18,662,715 | 72,994 |

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 2022, 210,000,000 (2021: 2,357,779,000) unexercised warrants with an exercise price of S$0.001 (2021: S$0.001) per warrant were issued, an amount of S$95,000 (2021: S$1,169,000) attributable to the fair value of the warrants was transferred from shares capital to warrants reserve.

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

# Notes to the Financial Statements

For the financial year ended 31 December 2022

**25. Share capital (cont'd)**

**(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)
Dr Lam Lee G
Cheung Wai Man, Raymond

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.

- 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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 pursuant to the ESOS as at 31 December 2022 are as follows:

| Date of grant | Balance as at 1.1.2022 | Options granted/ adjustment | Options cancelled or lapsed | Balance as at 31.12.2022 | Exercise price per share option | Exercisable period |
|---|---|---|---|---|---|---|
| 2.10.2014 | 38,487,500 | – | – | 38,487,500 | S$0.020 | 2.10.2014-1.10.2024 |
| | 38,487,500 | – | – | 38,487,500 | | |

Details of the options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2021 are as follows:

| Date of grant | Balance as at 1.1.2021 | Options granted/ adjustment | Options cancelled or lapsed | Balance as at 31.12.2021 | Exercise price per share option | Exercisable period |
|---|---|---|---|---|---|---|
| 2.10.2014 | 38,487,500 | – | – | 38,487,500 | S$0.020 | 2.10.2014-1.10.2024 |
| | 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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:

| 2022 | Aggregate options granted since commencement of ESOS to 31.12.2022 | Aggregate options exercised since commencement of ESOS to 31.12.2022 | Aggregate share consolidation adjustment since commencement of ESOS to 31.12.2022 | Aggregate options adjustment since commencement of ESOS to 31.12.2022 | Aggregate options cancelled, lapsed or transferred since commencement of ESOS to 31.12.2022 | Aggregate options outstanding as at 31.12.2022 |
|---|---|---|---|---|---|---|
| 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 |

| 2021 | Aggregate options granted since commencement of ESOS to 31.12.2021 | Aggregate options exercised since commencement of ESOS to 31.12.2021 | Aggregate share consolidation adjustment since commencement of ESOS to 31.12.2021 | Aggregate options adjustment since commencement of ESOS to 31.12.2021 | Aggregate options cancelled, lapsed or transferred since commencement of ESOS to 31.12.2021 | Aggregate options outstanding as at 31.12.2021 |
|---|---|---|---|---|---|---|
| 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 |

The Group and the Company have evaluated the financial impact of the share options cancelled to be minimal, accordingly the effect on the share option reserve (Note 26(b)(i)) is not adjusted.

(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.

# Notes to the Financial Statements
For the financial year ended 31 December 2022

## 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.

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 |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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: (cont'd)

**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.

### (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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 25. Share capital (cont'd)

### (b) Share performance plan (cont'd)

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

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.

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:

(i) all Awards granted thereunder;

(ii) all the Options under the Albedo ESOS; and

(iii) 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 25. Share capital (cont'd)

### (b) Share performance plan (cont'd)

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

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:

(i) 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

(ii) 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 2020. 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

(i) On 16 May 2019, the Company entered into a subscription agreement (the "**Dato' Ng Agreement**") with Dato' Ng Tian Sang @ Ng Kek Chuan (the "**Subscriber**") where the Company proposed 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 Dato' Ng 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 Dato' Ng Agreement (the "**Put Option**"). Based on management's assessment, there are no material financial impact arising from the call and put option during the financial year ended 31 December 2019. The Call Option and the Put Option have expired on 6 February 2020.

(ii) On 19 February 2020, JCG-Beverly Pte Ltd ("**JCGB**"), the Company's wholly-owned subsidiary corporation, and Natasha Skincare (Malaysia) Sdn Bhd ("**NSC**") (collectively the "**Parties**") entered into a shareholders agreement to incorporate a subsidiary corporation, Natasha Beverly Sdn Bhd ("**NBSB**"), to operate an aesthetic clinic and provide aesthetic medicine, medical spa service, chiropractor and physiotherapy services and sale of skin care products.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 25. Share capital (cont'd)

### (c) Call and Put option (cont'd)

The Parties have agreed that NSC shall be granted the option to require the Company to purchase all (and not only some) of NBSB's share for an aggregate consideration based on the latest twelve-month audited accounts of NBSB at a Price/Earnings ("**PE**") multiple of five times earnings or such other multiple as may be agreed between JCGB and NSC (the "**Option Consideration**").

The Option Consideration shall be fully satisfied by new ordinary shares to be allotted and issued out of the share capital of the Company. The option may be exercised during the period commencing on the date falling 15 months from 1 July 2020 or any other date to be mutually agreed and ending on the date falling 60 months from 1 July 2020.

Based on management's assessment, there are no material financial impact arising from the option during the financial years ended 31 December 2022 and 2021.

## 26. Other reserves

| | Group | | Company | |
|---|---|---|---|---|
| | **2022 S$'000** | **2021 S$'000** | **2022 S$'000** | **2021 S$'000** |
| (a) *Composition:* | | | | |
| Share option reserve | 25 | 25 | 25 | 25 |
| Currency translation reserve | (20) | (35) | – | – |
| Warrant reserve | 3,144 | 3,049 | 3,144 | 3,049 |
| | 3,149 | 3,039 | 3,169 | 3,074 |
| (b) *Movements:* | | | | |
| (i) Share option reserve | | | | |
| Beginning and end of financial year | 25 | 25 | 25 | 25 |
| (ii) Currency translation reserve | | | | |
| Beginning of financial year | (35) | (38) | – | – |
| Net currency translation of financial statements of foreign subsidiary corporations | 15 | 3 | – | – |
| End of financial year | (20) | (35) | – | – |
| (iii) Warrants reserve | | | | |
| Beginning of financial year | 3,049 | 1,880 | 3,049 | 1,880 |
| Warrants adjustment (Note 25[1]) | 95 | 1,169 | 95 | 1,169 |
| End of financial year | 3,144 | 3,049 | 3,144 | 3,049 |

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.

# Notes to the Financial Statements
For the financial year ended 31 December 2022

**26. Other reserves (cont'd)**

The warrants reserve represents the fair value of the remaining unexercised warrants, details are as follow:

| | Warrantholder | Issue date | No of warrants 2022 | No of warrants 2021 | Exercise price (S$) | Terms | Expiry Date |
|---|---|---|---|---|---|---|---|
| 1 | Rest Investments Ltd | 10 January 2019 | 952,380,952 | 952,380,952 | 0.0014 | 5 years | 9 January 2024 |
| 2 | Tan Suying | 15 April 2019 | 310,185,185 | 310,185,185 | 0.0018 | 5 years | 14 April 2024 |
| 3 | Dato' Ng Tian Sang | 18 July 2019 | 250,000,000 | 250,000,000 | 0.0018 | 5 years | 17 July 2024 |
| 4 | Vendors of Beverly Wilshire Medical Centre Group | 7 November 2019 | 162,000,000 | 162,000,000 | 0.002 | 5 years | 6 November 2024 |
| 5 | Subscribers of January 2020 Share Subscriptions | 16 January 2020 | 85,561,497 | 85,561,497 | 0.002 | 3 years | 15 January 2023 |
| 6 | 2021 Rights Cum Warrants Issue | 2 June 2021 | 2,112,779,425 | 2,112,779,425 | 0.001 | 3 years | 1 June 2024 |
| 7 | Subscribers of December 2021 Share Subscriptions | 9 December 2021 | 245,000,000 | 245,000,000 | 0.001 | 3 years | 8 December 2024 |
| 8 | Subscribers of March 2022 Share Subscriptions | 10 March 2022 | 210,000,000 | – | 0.001 | 3 years | 9 March 2025 |

Each of the warrant above are convertible to one unit of ordinary shares.

Other reserves are non-distributable.

# Notes to the Financial Statements
For the financial year ended 31 December 2022

## 27. Accumulated losses

Movement in accumulated losses for the Company is as follows:

| | Company 2022 S$'000 | Company 2021 S$'000 |
|---|---|---|
| Beginning of financial year | (71,197) | (69,294) |
| Net loss for the financial year | (1,745) | (1,903) |
| End of financial year | (72,942) | (71,197) |

## 28. Commitments and contingent liabilities

*Contingent liabilities*

The Company had issued corporate guarantee of S$1,005,000 (2021: S$1,279,000) to United Overseas Bank (Malaysia) Bhd who provided borrowings to its subsidiary corporation (Note 29(b)).

The Company had evaluated the fair value of the corporate guarantee and the consequential liabilities derived from its guarantee to the United Overseas Bank (Malaysia) Bhd with regards to the subsidiary corporation to be minimal.

## 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 and Malaysia.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 29. Financial risk management (cont'd)

***Financial risk factors (cont'd)***

*(a) Market risk (cont'd)*

*(i) Currency risk (cont'd)*

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.

The Group's currency exposure based on the information provided to key management is as follows:

| | SGD S$'000 | MYR S$'000 | Total S$'000 |
|---|---|---|---|
| **2022** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 575 | 333 | 908 |
| Trade and other receivables | 118 | 535 | 653 |
| | 693 | 868 | 1,561 |
| **Financial liabilities** | | | |
| Trade and other payables | (1,716) | (2,289) | (4,005) |
| Borrowings | (1,121) | (3,300) | (4,421) |
| | (2,837) | (5,589) | (8,426) |
| **Net financial liabilities** | (2,144) | (4,721) | (6,865) |
| Less: Net financial assets denominated in the respective entities' functional currencies | 2,144 | 4,721 | 6,865 |
| **Currency exposure of financial liabilities** | – | – | – |
| **2021** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 206 | 707 | 913 |
| Trade and other receivables | 54 | 653 | 707 |
| | 260 | 1,360 | 1,620 |
| **Financial liabilities** | | | |
| Trade and other payables | (1,324) | (3,147) | (4,471) |
| Borrowings | (124) | (3,414) | (3,538) |
| | (1,448) | (6,561) | (8,009) |
| **Net financial liabilities** | (1,188) | (5,201) | (6,389) |
| Less: Net financial assets denominated in the respective entities' functional currencies | 1,188 | 5,201 | 6,389 |
| **Currency exposure of financial liabilities** | – | – | – |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 29. Financial risk management (cont'd)

***Financial risk factors (cont'd)***

*(a) Market risk (cont'd)*

*(i) Currency risk (cont'd)*

The Company's currency exposure based on the information provided to key management is as follows:

| | SGD S$'000 | MYR S$'000 | Total S$'000 |
|---|---|---|---|
| **2022** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 529 | – | 529 |
| Trade and other receivables | 815 | – | 815 |
| | 1,344 | – | 1,344 |
| **Financial liabilities** | | | |
| Trade and other payables | (1,693) | – | (1,693) |
| Borrowings | (1,747) | – | (1,747) |
| | (3,440) | – | (3,440) |
| **Net financial liabilities** | (2,096) | – | (2,096) |
| Less: Net financial assets denominated in the Company's functional currencies | 2,096 | – | 2,096 |
| **Currency exposure of financial liabilities** | – | – | – |
| **2021** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 192 | – | 192 |
| Trade and other receivables | 696 | – | 696 |
| | 888 | – | 888 |
| **Financial liabilities** | | | |
| Trade and other payables | (1,224) | (21) | (1,245) |
| Borrowings | (924) | – | (924) |
| | (2,148) | (21) | (2,169) |
| Net financial liabilities | (1,260) | (21) | (1,281) |
| Less: Net financial assets denominated in the Company's functional currencies | 1,260 | – | 1,260 |
| **Currency exposure of financial liabilities** | – | (21) | (21) |

The Group and Company are not exposed to significant foreign currency risk as their business are transacted in functional currencies, which are SGD and MYR.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

**29. Financial risk management (cont'd)**

***Financial risk factors (cont'd)***

*(a) Market risk (cont'd)*

*(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 the counterparty will default on its contractual obligation resulting in a loss to the Group. The Group's exposure to credit risk mainly relates to long-term and short-term investments, fixed deposits, cash and bank balances, amount owing by subsidiaries, trade and other receivables.

The Group limits its credit risk exposures in respect of investments by only investing in liquid securities and placing it with diverse creditworthy financial institutions. Cash and fixed deposits are placed with major banks and financial institutions.

For trade and other receivables, the management has a credit policy in place and the exposure of credit risk is monitored on an ongoing basis to minimise credit risk. Monies due from customers are followed up, reviewed on a regular basis to understand the reasons, if any, of non-payment or delay in payment so that appropriate action can be implemented promptly. Credit risks of individual counterparties are restricted by credit limits that are approved based on ongoing credit evaluations.

In relation to the corporate guarantees issued by the Company on behalf of its subsidiaries, the credit risk, being the principal risk to which the Company is exposed, represents the loss that would be recognised upon a default by the subsidiaries.

Where applicable, the Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

Where applicable, the Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 29. Financial risk management (cont'd)

***Financial risk factors (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 | |
|---|---|---|
| | 2022 | 2021 |
| | S$'000 | S$'000 |
| Corporate guarantee provided to United Overseas Bank (Malaysia) Bhd on subsidiary corporation's borrowings (Note 28(a)) | 1,005 | 1,279 |

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

– Internal credit rating

– External credit rating

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

– Actual or expected significant changes in the operating results of the debtor

– Significant increases in credit risk on other financial instruments of the same debtor

– Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty in collecting receivables from the debtor

– There is a breach of contract, such as a default or past due event

– It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

– There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets 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. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 29. Financial risk management (cont'd)

***Financial risk factors (cont'd)***

*(b) Credit risk (cont'd)*

The Group's current credit risk grading framework comprises the following categories:

(i) Trade and other receivables

| Category | Definition of category | Basis for recognising expected credit loss (ECL) |
|---|---|---|
| I | Counterparty has a low risk of default and does not have any past-due amounts. | 12-month ECL |
| II | Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition. | Lifetime ECL – not credit-impaired |
| III | Amount is >180 days past due or there is evidence indicating the asset is credit-impaired (in default). | Lifetime ECL – credit-impaired |
| IV | Amount is >365 days past due or there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery. | Amount is written off |

The table below details the credit quality of the Group's and Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | Note | Category | 12 month or lifetime ECL | Gross carrying amount S$'000 | Loss allowance S$'000 | Net carrying amount S$'000 |
| **31 December 2022** | | | | | | |
| Trade receivables | 14 | Note B | Lifetime ECL (simplified) | 233 | (183) | 50 |
| Other receivables | 14 | Note A | 12-month ECL | 199 | – | 199 |
| | | | | | (183) | |
| **31 December 2021** | | | | | | |
| Trade receivables | 14 | Note B | Lifetime ECL (simplified) | 246 | (42) | 204 |
| Other receivables | 14 | Note A | 12-month ECL | 115 | – | 115 |
| | | | | | (42) | |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 29. Financial risk management (cont'd)

***Financial risk factors (cont'd)***

*(b) Credit risk (cont'd)*

(i) Trade and other receivables (cont'd)

| | Note | Category | 12 month or lifetime ECL | Company Gross carrying amount S$'000 | Loss allowance S$'000 | Net carrying amount S$'000 |
|---|---|---|---|---|---|---|
| **31 December 2022** | | | | | | |
| Other receivables | 14 | Note A | 12-month ECL | 750 | – | 750 |
| **31 December 2021** | | | | | | |
| Other receivables | 14 | Note A | 12-month ECL | 660 | – | 660 |

**Other receivables and amounts owing by subsidiaries (Note A)**

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

**Trade receivables (Note B)**

For trade receivables, the Group has applied the simplified approach in SFRS(I)9 to measure the loss allowance at lifetime ECL. The Group determines the ECL by using an individual (debtor-by-debtor) basis. ECL is estimated based on historical credit loss experience based on the past due status of debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Group's considers that all the receivables that are not impaired or past due for each reporting dates under review are of good credit quality.

The Company has no significant concentration of credit risk with any single counterparty.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

**29. Financial risk management (cont'd)**

***Financial risk factors (cont'd)***

*(b) Credit risk (cont'd)*

(i) Trade and other receivables (cont'd)

The movements in credit loss allowance are as follows:

| | Group | | | Company | |
|---|---|---|---|---|---|
| | Trade receivables – non-related parties S$'000 | Trade receivables – related parties S$'000 | Total S$'000 | Other receivables – subsidiary corporations S$'000 | Total S$'000 |
| **2022** | | | | | |
| Beginning of financial year (Note 14) | 42 | – | 42 | – | – |
| Loss allowances | 141 | – | 141 | – | – |
| Written off | – | – | – | – | – |
| End of financial year (Note 14) | 183 | – | 183 | – | – |
| **2021** | | | | | |
| Beginning of financial year (Note 14) | 48 | – | 48 | 612 | 612 |
| Reversal of provision of loss allowance (Note 6) | (6) | – | (6) | – | – |
| Written off | – | – | – | (612) | (612) |
| End of financial year (Note 14) | 42 | – | 42 | – | – |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

**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$908,000 and S$529,000 (2021: S$913,000 and S$192,000) respectively with banks with high credit-ratings assigned by international credit-rating agencies and considered 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 | More than 5 years S$'000 |
|---|---|---|---|
| **Group** | | | |
| **2022** | | | |
| Trade and other payables | 4,005 | – | – |
| Lease liabilities | 758 | 2,258 | – |
| Borrowings (excluding lease liabilities) | 879 | 1,132 | – |
| **2021** | | | |
| Trade and other payables | 4,471 | – | – |
| Lease liabilities | 616 | 2,139 | – |
| Borrowings (excluding lease liabilities) | 980 | 332 | – |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

**29. Financial risk management (cont'd)**

*(c) Liquidity risk (cont'd)*

| | Less than 1 year S$'000 | Between 2 and 5 years S$'000 | More than 5 years S$'000 |
|---|---|---|---|
| **Company** | | | |
| **2022** | | | |
| Trade and other payables | 1,693 | – | – |
| Lease liabilities | 68 | 137 | – |
| Borrowings (excluding lease liabilities) | 627 | 915 | – |
| **2021** | | | |
| Trade and other payables | 1,245 | – | – |
| Lease liabilities | 124 | – | – |
| Borrowings (excluding lease liabilities) | 800 | – | – |

*(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 less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 |
| Net debt | 7,518 | 7,096 | 2,911 | 1,977 |
| Total equity | (1,121) | 47 | 557 | 1,314 |
| Total capital | 6,397 | 7,143 | 3,468 | 3,291 |
| Gearing ratio | 117.5% | 99.3% | 83.9% | 60.1% |

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2022 and 2021.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 29. Financial risk management (cont'd)

(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 follows:

| | 2022<br>S$'000 | 2021<br>S$'000 |
|---|---|---|
| **Group** | | |
| Financial assets measured at amortised cost | | |
| Trade receivables (Note 14) | 50 | 204 |
| Other receivables (Note 14) | 603 | 503 |
| Cash and cash equivalents (Note 13) | 908 | 913 |
| Total financial assets measured at amortised cost | 1,561 | 1,620 |
| Financial liabilities measured at amortised cost | | |
| Trade payables (Note 22) | 301 | 240 |
| Other payables (Note 22) | 3,704 | 4,231 |
| Lease liabilities (Note 23(a)) | 2,501 | 2,259 |
| Borrowings (Note 23(b)) | 1,920 | 1,279 |
| Total financial liabilities measured at amortised cost | 8,426 | 8,009 |
| **Company** | | |
| Financial assets at amortised cost | | |
| Other receivables (Note 14) | 815 | 696 |
| Cash and cash equivalents (Note 13) | 529 | 192 |
| Total financial assets measured at amortised cost | 1,344 | 888 |
| Financial liabilities measured at amortised cost | | |
| Other payables (Note 22) | 1,693 | 1,245 |
| Lease liabilities (Note 23(a)) | 205 | 124 |
| Borrowings (Note 23(b)) | 1,542 | 800 |
| Total financial liabilities measured at amortised cost | 3,440 | 2,169 |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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 | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Sales to related parties | 67 | 69 |
| Other income | 17 | 49 |
| Cost of sales | 37 | 31 |
| Administrative expenses | – | 4 |
| Finance expenses | – | 4 |

Outstanding balances as at 31 December 2022 and 2021 are unsecured and receivable/payable within 12 months from the balance sheet date and disclosed in Notes 14 and 22 to the financial statements respectively.

(b) *Key management personnel compensation*

Key management personnel compensation is as follows:

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| ***Key management personnel*** | | |
| Wages, salaries and short-term benefits | 1,835 | 1,722 |
| Employer's contribution to defined contribution plans, including Central Provident Fund/Employees' Provident Fund | 88 | 73 |
| | 1,923 | 1,795 |
| Comprised amounts paid to: | | |
| – Directors of the Company | 632 | 744 |
| – Directors of subsidiary corporations | 1,094 | 880 |
| – Other key management personnel | 197 | 171 |
| | 1,923 | 1,795 |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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 two primary geographic areas namely, Singapore and Malaysia.

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 three 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:

| | |
|---|---|
| Aesthetic medical and healthcare: | Provision of aesthetic medical services includes the provision of aesthetic medical, beauty and wellness services. |
| 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. |
| Investment and others: | Business of investment holding, provision of management services and provision of marketing, distribution and related services. |

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 31. Segment information (cont'd)

The segment information provided to the Board of Directors for the reportable segments is as follows:

| | Aesthetic medical and healthcare | | Trading and distribution | | Investment and others | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| Segment revenue | | | | | | | | |
| – External parties | 10,071 | 8,801 | 439 | 173 | – | – | 10,510 | 8,974 |
| – Related parties | – | – | – | – | – | – | – | – |
| Gross profit | 5,728 | 4,357 | 13 | 9 | – | – | 5,741 | 4,366 |
| Other income | 133 | 593 | –* | 9 | 18 | 52 | 151 | 654 |
| Other losses, net | (155) | (11) | – | – | – | (54) | (155) | (65) |
| Expenses | | | | | | | | |
| – Distribution | (178) | (119) | (80) | (85) | – | – | (258) | (204) |
| – Administrative | (5,808) | (5,485) | (81) | (72) | (1,773) | (1,933) | (7,662) | (7,490) |
| – Finance | (207) | (262) | (1) | (1) | (38) | (12) | (246) | (275) |
| Loss before income tax | (487) | (927) | (149) | (140) | (1,793) | (1,947) | (2,429) | (3,014) |
| Income tax credit | 179 | 141 | – | 17 | – | – | 179 | 158 |
| Net loss for the financial year | (308) | (786) | (149) | (123) | (1,793) | (1,947) | (2,250) | (2,856) |

* Less than S$1,000

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 31. Segment information (cont'd)

The segment information provided to the Board of Directors for the reportable segments is as follows: (cont'd)

| | Aesthetic medical and healthcare | | Trading and distribution | | Investment and others | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 |
| **Other information** | | | | | | | | |
| Depreciation of property, plant and equipment (Note 18) | 1,384 | 1,418 | – | 1 | 147 | 156 | 1,531 | 1,575 |
| Amortisation of intangible assets (Note 21(b)(c)) | 386 | 385 | – | – | – | – | 386 | 385 |
| Interest expense of borrowings (Note 10) | 72 | 71 | 1 | 1 | 33 | – | 106 | 72 |
| Interest expense of lease (Note 10) | 135 | 191 | – | – | 5 | 12 | 140 | 203 |
| Additions to: | | | | | | | | |
| Property, plant and equipment (Note 18) | 205 | 540 | – | – | 13 | 135 | 218 | 675 |
| **Assets and liabilities** | | | | | | | | |
| Segment and consolidated total assets | 6,372 | 7,794 | 117 | 98 | 893 | 424 | 7,382 | 8,316 |
| Consolidated total assets | | | | | | | 7,382 | 8,316 |
| Segment and consolidated total liabilities | 5,666 | 6,821 | 18 | 24 | 2,819 | 1,424 | 8,503 | 8,269 |
| Consolidated total liabilities | | | | | | | 8,503 | 8,269 |

The segment 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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. Investment holding and provision of management services are included in "Others".

*(b) Revenue from external customers*

Revenue of S$439,000 (2021: S$173,000) is derived from 1 (2021: 1) external customer. These revenues are attributable to the trading and distribution segment.

*(c) Geographical information*

The Group's two major business segments operate in two main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operation in these areas are principally investment holding, and trading and distribution of steel mill consumable products;
- Malaysia – the operation in these areas are principally provision of aesthetic medical and healthcare services

| | Group | |
|---|---|---|
| | **2022 S$'000** | **2021 S$'000** |
| **Revenue** | | |
| – Singapore | 439 | 173 |
| – Malaysia | 10,071 | 8,801 |
| | 10,510 | 8,974 |

| | Group | |
|---|---|---|
| | **2022 S$'000** | **2021 S$'000** |
| **Non-current assets** | | |
| Singapore | 211 | 135 |
| Malaysia | 4,972 | 5,937 |
| | 5,183 | 6,072 |

## 32. Events occurring after balance sheet date

On 4 April 2023, the Company entered into an agreement to acquire the remaining ordinary shares of its subsidiaries, namely Beverly Wilshire Medical Centre Sdn. Bhd., Beverly Wilshire Medical Centre (JB) Sdn. Bhd., Beverly Wilshire Aesthetic Dental Centre Sdn. Bhd., Beverly Wilshire Medical Academy and Research Centre Sdn. Bhd. and Beverly Wilshire Tropicana City Mall Sdn. Bhd. ("**BW Entities**"). The Company has also entered into an agreement to acquire 100% of ordinary shares of Beverly Bangsar Sdn. Bhd..

## 33. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Beverly JCG Ltd. on 13 April 2023.

# Statistics of Shareholdings

As at 24 March 2023

| | | |
|---|---|---|
| Issued share capital | : | S$80,349,188 |
| No. of issued shares | : | 19,681,411,589 |
| Class of shares | : | Ordinary Shares |
| Voting rights | : | One vote per ordinary share |
| No. of treasury shares | : | Nil |
| No. of subsidiary shares | : | Nil |

## DISTRIBUTION OF SHAREHOLDINGS

| Size of Shareholdings | No. of Shareholders | % | No. of Shares | % |
|---|---|---|---|---|
| 1 – 99 | 103 | 3.51 | 3,931 | 0.00 |
| 100 – 1,000 | 161 | 5.49 | 102,012 | 0.00 |
| 1,001 – 10,000 | 227 | 7.74 | 1,295,028 | 0.01 |
| 10,001 – 1,000,000 | 1,947 | 66.41 | 453,633,735 | 2.30 |
| 1,000,001 and above | 494 | 16.85 | 19,226,376,883 | 97.69 |
| **Total** | **2,932** | **100.00** | **19,681,411,589** | **100.00** |

## TWENTY LARGEST SHAREHOLDERS

| No. | Name | No. of Shares | % |
|---|---|---|---|
| 1 | UOB Kay Hian Private Limited | 3,848,529,840 | 19.55 |
| 2 | Tan Suying | 1,861,111,111 | 9.46 |
| 3 | Phillip Securities Pte Ltd | 1,629,620,286 | 8.28 |
| 4 | United Overseas Bank Nominees (Private) Limited | 1,584,046,536 | 8.05 |
| 5 | Citibank Nominees Singapore Pte Ltd | 1,024,112,883 | 5.20 |
| 6 | Yuen Pui Leng Eunice | 928,571,428 | 4.72 |
| 7 | CGS-Cimb Securities (Singapore) Pte. Ltd. | 820,553,449 | 4.17 |
| 8 | Loke Lai Wan | 530,357,143 | 2.69 |
| 9 | DBS Nominees (Private) Limited | 329,284,095 | 1.67 |
| 10 | Yap Mee Lee | 324,000,000 | 1.65 |
| 11 | Chua Khoon Wong | 322,142,857 | 1.64 |
| 12 | OCBC Securities Private Limited | 317,866,838 | 1.62 |
| 13 | Foo Yu Yuan (Fu Yuyuan) | 258,928,572 | 1.32 |
| 14 | Chia Suat Peng (Xie Xueping) | 258,928,571 | 1.32 |
| 15 | Alexander Ng Zhonglie | 250,000,000 | 1.27 |
| 16 | Seah Sin Yuen (Xie Xinyun) | 158,200,008 | 0.80 |
| 17 | Maybank Securities Pte. Ltd. | 151,615,800 | 0.77 |
| 18 | Tgc Private Office Pte Ltd | 142,857,143 | 0.73 |
| 19 | Ang Kok Huan | 137,900,000 | 0.70 |
| 20 | Neo Kim Cheng | 135,369,000 | 0.69 |
| | **Total** | **15,013,995,560** | **76.30** |

# Statistics of Shareholdings

As at 24 March 2023

## SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC SHAREHOLDERS

Based on information available to the Company as at 24 March 2023, approximately 61.25% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Catalist Rules Section B: Rules of Catalist is complied with.

## SUBSTANTIAL SHAREHOLDERS

| | Direct Interest | | Deemed Interest | |
|---|---|---|---|---|
| **Name of Substantial Shareholders** | **No. of shares** | **%** | **No. of shares** | **%** |
| Rest Investments Ltd[1] | 2,857,142,857 | 14.52 | – | – |
| Chua Chuan Seng[2] | 5,000 | 0.00 | 2,857,142,857 | 14.52 |
| Tan Suying[3] | 1,861,111,111 | 9.46 | – | – |
| Dato' Ng Tian Sang @ Ng Kek Chuan[4] | 1,734,422,533 | 8.81 | 959,635,423 | 4.88 |

**Notes:**

(1) The 2,857,142,857 voting shares described as direct interests of Rest Investments Ltd are held through UOB Kay Hian Private Limited as intermediary.

(2) Chua Chuan Seng is the sole shareholder of Rest Investments Ltd, who 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) Out of the 1,861,111,111 shares described as direct interests of Tan Suying, 1,583,333,333 shares have no voting rights.

(4) Out of the 1,734,422,533 voting shares described as direct interests of Dato' Ng Tian Sang @ Ng Kek Chuan, 1,513,362,187 and 221,060,346 voting shares are held through United Overseas Bank (Nominees) Private Limited and Philip Securities Pte Ltd as intermediaries respectively. Dato' Ng Tian Sang @ Ng Kek Chuan is deemed to be interested in the 316,623,630, 393,011,793 and 250,000,000 voting shares held by Datin' Wong Ling Chu, Howard Ng How Er and Alexander Ng Zhonglie, who are his spouse and sons respectively.

# Statistics of Warrantholdings

As at 24 March 2023

## DISTRIBUTION OF WARRANTHOLDINGS (W240531)

| Size of Warrantholdings | No. of Warrantholders | % | No. of Warrants | % |
|---|---|---|---|---|
| 1 – 99 | 1 | 0.27 | 9 | 0.00 |
| 100 – 1,000 | 0 | 0.00 | 0 | 0.00 |
| 1,001 – 10,000 | 12 | 3.29 | 78,719 | 0.00 |
| 10,001 – 1,000,000 | 231 | 63.29 | 70,163,571 | 3.32 |
| 1,000,001 and above | 121 | 33.15 | 2,042,537,126 | 96.68 |
| **Total** | **365** | **100.00** | **2,112,779,425** | **100.00** |

## TWENTY LARGEST WARRANTHOLDERS

| No. | Name | No. of Warrants | % |
|---|---|---|---|
| 1 | Phillip Securities Pte Ltd | 385,368,111 | 18.24 |
| 2 | United Overseas Bank Nominees (Private) Limited | 345,622,046 | 16.36 |
| 3 | Citibank Nominees Singapore Pte Ltd | 171,991,795 | 8.14 |
| 4 | UOB Kay Hian Private Limited | 162,062,078 | 7.67 |
| 5 | Maybank Securities Pte. Ltd. | 92,048,149 | 4.36 |
| 6 | CGS-Cimb Securities (Singapore) Pte. Ltd. | 89,427,499 | 4.23 |
| 7 | Wong Han Yew | 70,000,009 | 3.31 |
| 8 | Chia Kwai Lin | 50,166,666 | 2.37 |
| 9 | Long Sa Kow | 45,023,200 | 2.13 |
| 10 | DBS Nominees (Private) Limited | 33,622,906 | 1.59 |
| 11 | OCBC Securities Private Limited | 31,183,836 | 1.48 |
| 12 | Tan Eng Chua Edwin | 30,000,000 | 1.42 |
| 13 | Wong Choo Hin | 29,900,000 | 1.42 |
| 14 | Ang Kim Chuan | 28,333,333 | 1.34 |
| 15 | Lim Chwee Kim | 21,333,333 | 1.01 |
| 16 | Mrs Chau-Chan Sui Yung | 20,000,000 | 0.95 |
| 17 | Tang Boon Siah | 18,000,000 | 0.85 |
| 18 | Chung Yuen Yee Kathy | 15,767,009 | 0.75 |
| 19 | Tan Heng Weng | 15,000,009 | 0.71 |
| 20 | Ang Yew Jin Eugene | 14,000,000 | 0.66 |
| | **Total** | **1,668,849,979** | **78.99** |

# Update on Audit Issues Pursuant to Paragraph 3A of Appendix 7C, Catalist Rules

The board of directors (the "**Board**" or "**Directors**") of Beverly JCG 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 2022 (the "**Auditors Report**") issued by the Company's independent auditor, RT LLP, as set out on pages 60 to 62 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 concern</u>**

The Board of Directors (including the Audit Committee) believe that the use of the going concern assumption in preparing the financial statements for the financial year ended 31 December 2022 is appropriate after taking into consideration the following assumptions and measures:

(i) On 23 August 2022, the Company received a financial support undertaking letter from Dato' Ng Tian Sang @ Ng Kek Chuan, whereby he will undertake, for as long as he is a substantial shareholder of the Company, to provide continuing financial cash flow support to the Group to enable it to continue its operations as a going concern and to meet its liabilities as and when they fall due for the next 18 months.

(ii) The Company has entered into advance agreements (the "**Advance Agreements**") with each of Lee Heuk Ping, Yap Mee Lee, Dato' Ng Tian Sang @ Ng Kek Chuan in August 2022 and Ong Chee Koen and Pang Tee Nam (collectively, the "**Lenders**") in October 2022 pursuant to which the Lenders have agreed to extend unsecured interest-bearing loans for an aggregate amount of S$915,000.

The loans are to be repaid by the Company 18 months from the date of the respective Advance Agreements, with an option for the Company and the respective Lenders to extend the repayment date for another 6 months. The interest rate for the loans extended by the Lenders (excluding Dato' Ng Tian Sang @ Ng Kek Chuan) is 6% per annum, while the interest rate for the loans extended by Dato' Ng Tian Sang @ Ng Kek Chuan is 4% per annum. As of the date of this announcement, the Company has received all the loans amounting to S$915,000. Except for Dato' Ng Tian Sang @ Ng Kek Chuan, who is the Deputy Chairman and CEO of the Company and a substantial shareholder of the Company, the Lenders have signed a letter, confirming that they are independent and unrelated to the Company, save that (a) Yap Mee Lee holds shares in the Company, comprising less than 5% of the total issued share capital of the Company and is a director of Albedo Corporation Pte Ltd, a wholly-owned subsidiary of the Company and (b) Lee Heuk Ping and Pang Tee Nam hold shares in the Company, and each of their respective shareholding interests is less than 5% of the total issued share capital of the Company. The Company is able to repay the above loans on their respective repayment dates.

(iii) On 24 August 2022, the Company also entered into a service agreement with 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 Ipoh Sdn Bhd, Beverly Dentistree Sdn Bhd, Natasha Beverly Sdn Bhd, Natasha Beverly Dental Sdn Bhd, Natasha Beverly Mizu Sdn Bhd and Natasha Beverly Aesthetics Sdn Bhd. ("**BW Malaysia Entities**"), pursuant to which the BW Malaysia Entities will pay an aggregate of S$300,000 as service fees for the management services provided by the Company to the BW Malaysia Entities for the period from July 2022 to December 2023 and such service fees will be payable regardless of whether the BW Malaysia Entities are profitable or loss-making.

# Update on Audit Issues Pursuant to Paragraph 3A of Appendix 7C, Catalist Rules

The provision of management services by the Company to the BW Malaysia Entities constitutes an interested person transaction under Chapter 9 of the Listing Rules and is subject to shareholders' approval at an extraordinary general meeting to be convened by the Company. In the event that the provision of management services by the Company to the BW Malaysia Entities is not approved by shareholders, Dato' Ng Tian Sang @ Ng Kek Chuan will provide financial support for any shortfall requirements in working capital pursuant to his financial support undertaking referred to in sub-paragraph (i) above.

(iv) The BW Malaysia Entities have confirmed in writing to the Company that they do not require any additional funding from the Company to continue their operations for the next 18 months as of the date of this announcement.

(v) The improved financial performance of the aesthetic medical and healthcare segment in Malaysia is expected to continue.

The Beverly Wilshire group of companies in Malaysia, which contributed about 95.8% of the Group's revenue during the financial year ended 31 December 2022 ("**FY2022**"), has turned around despite the challenges of operating under COVID-19 restrictions, with its best financial performance since inception of business operations in 2012. The Group's revenue from the aesthetic medical and healthcare segment increased by 14% to S$10.1 million in FY2022 from S$8.8 million in the previous financial year ended 31 December 2021 ("**FY2021**").

The newly incorporated entities in the financial years ended 31 December 2020 and 31 December 2021 ("**FY2020**" and "**FY2021**" respectively), namely Natasha Beverly Sdn Bhd, Beverly Ipoh Sdn Bhd, Natasha Beverly Aesthetics Sdn Bhd, Natasha Beverly Dental Sdn Bhd, Beverly Dentistree Sdn Bhd and Natasha Beverly Mizu Sdn Bhd contributed an aggregate of S$1.3 million of revenue to the Group in FY2022, a 44% increase as compared to S$0.9 million in FY2021.

Due to the border closure measures undertaken by the Malaysian government during the COVID-19 pandemic, the above was achieved solely through the domestic market. The historical track records have shown that the Beverly Wilshire group of companies' overseas business contribution to the total revenue of the Group constitutes approximately 40% to 45% on average. With Malaysia opening its door to tourism on 1 April 2022, after over two years of closure due to the COVID-19 pandemic, the Group is experiencing an inflow of foreign clients from Australia and New Zealand into Malaysia and the Group's aesthetic medical and healthcare segment has benefited from this inflow as shown in FY2022 which recorded an increase in revenue of 14% to S$10.1 million from S$8.8 million in FY2021.

The Company is intending to make further acquisitions, which, if and when completed, are expected to generate additional revenue for the Group, support the Group's cashflow, and ensure that the Group can continue to operate as a going concern.

(vi) Subject to obtaining the permission and necessary approvals of SGX-ST, the Company also intends to raise funds of about S$2 million or more via future fund-raising exercises, and the Company intends to allocate at least 50% of the gross proceeds raised to make profitable acquisitions to further support the Company to operate as a going concern.

# Update on Audit Issues Pursuant to Paragraph 3A of Appendix 7C, Catalist Rules

**2. <u>Opening balances and comparative figures – Assets, liabilities and results of the Group's aesthetic business in Taiwan</u>**

The audit opinion on the consolidated financial statements of the Group for the financial year ended 31 December 2021, which formed the basis for the comparative figures presented in the current financial year's consolidated financial statements, was disclaimed by us, and one of the basis for the disclaimer of opinion was the assets, liabilities and results of the Group's aesthetic business in Taiwan.

Notwithstanding that the disposal of the Group's aesthetic business in Taiwan had been completed in the previous financial year, the matters which resulted in the disclaimer of opinion remain unresolvedwith respect to the opening balances of the Group as at 1 January 2021. In view of that, we were unable to determine whether adjustments to the opening balances of the Group as at 1 January 2021 might have been necessary. In addition, since opening balances entered into the determination of the financial performance, changes in equity and cash flows for the previous financial year ended 31 December 2021, we were unable to determine whether adjustments might have been necessary in respect of the loss, changes in equity and cash flows of the Group for the previous financial year. Our audit opinion on the financial statements for the previous financial year was disclaimed accordingly. Our opinion on the current financial year's financial statements is disclaimed because of the possible effect of this matter on the comparability of the current financial year's figures and the corresponding (i.e. comparative) figures.

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.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting ("**AGM**") of Beverly JCG Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") will be held by way of electronic means on 28 April 2023 at 2.30 p.m. for the following purposes as set out below.

This Notice has been made available on SGXNet and the Company's website and may be accessed at the URL https://conveneagm.com/sg/beverlyjcgagm2023. A printed copy of this Notice will NOT be despatched to members.

**AS ORDINARY BUSINESS**

**1.** To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' Statement and the Auditors' Report. **(Ordinary Resolution 1)**

**2.** To re-elect Dato' Ng Tian Sang @ Ng Kek Chuan who is retiring pursuant to Regulation 90 of the Company's Constitution.

*Dato' Ng Tian Sang @ Ng Kek Chuan, if re-elected, will remain the Deputy Chairman and Chief Executive Officer ("**CEO**"), an Executive Director and a member of the Risk Management Committee. Additional information on Dato' Ng Tian Sang @ Ng Kek Chuan may be found in Additional Information on Directors Seeking Re-Election on pages 152 to 159 of the Annual Report.* **(Ordinary Resolution 2)**

**3.** To re-elect Mr Yap Siean Sin who is retiring pursuant to Regulation 90 of the Company's Constitution.

*Mr Yap Siean Sin, if re-elected, will remain as the Independent Non-Executive Chairman of the Board of Directors, Chairman of the Nominating Committee and the Remuneration Committee, member of the Audit Committee and the Risk Management Committee. Mr Yap Siean Sin will be considered independent for the purpose of Rule 704(7) of the Listing Manual (Section B: Rule of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**"). Additional information on Mr Yap Siean Sin may be found in Additional Information on Directors Seeking Re-Election on pages 152 to 158 of the Annual Report.* **(Ordinary Resolution 3)**

**4.** To approve the payment of Directors' fees of S$156,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears (FY2022: S$148,500). **(Ordinary Resolution 4)**

**5.** To re-appoint Messrs RT LLP for the financial year ending 31 December 2023 as the Company's auditors and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

**6.** To transact any other business that may be transacted at an annual general meeting.

**AS SPECIAL BUSINESS**

**7.** To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without modifications:

"That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Act**") and Rule 806 of the Catalist Rules, the directors of the Company (the "**Directors**") be and are hereby authorised to allot and issue:

a) shares in the capital of the Company ("**Shares**");

b) convertible securities; or

# Notice of Annual General Meeting

c) additional securities issued pursuant to adjustment to (b) above; or

d) Shares arising from the conversion of securities in (b) and (c) above,

in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that:

(i) the aggregate number of Shares and convertible securities that may be issued must not be more than 100% of the total number of issued Shares excluding treasury shares and subsidiary holdings, of which the aggregate number of Shares and convertible securities issued other than on a pro-rata basis to existing shareholders must not be more than 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings. For the purpose of determining the aggregate number of Shares and convertible securities that may be issued under this resolution, the percentage of the total number of issued Shares excluding treasury shares and subsidiary holdings is based on the total number of issued Shares excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for (aa) new Shares arising from the conversion or exercise of convertible securities; (bb) new Shares arising from exercising of share options or vesting of share awards outstanding or subsisting at the time of the passing of this resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (cc) any subsequent bonus issue, consolidation or subdivision of Shares;

(ii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iii) unless revoked or varied by the Company in a general meeting, such authority conferred by this resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier." [See Explanatory Note (i)] **(Ordinary Resolution 6)**

**8.** To consider and, if thought fit, to authorise the Directors of the Company to grant awards ("**Awards**") in accordance with the provisions of the JCG Share Performance Plan ("**JCG SPP**") and to allot and issue from time to time such number of fully paid-up ordinary shares in the capital of the Company (the "**Shares**") as may be required to be allotted and issued pursuant to the vesting of Awards under the JCG SPP, provided that the aggregate number of Shares available under the JCG SPP, when added to all Shares, options or awards granted under any other share option scheme, share award scheme or share incentive scheme of the Company then in force, shall not exceed 15% of the total issued share capital (excluding treasury shares and subsidiary holdings) of the Company from time to time. [See Explanatory Note (ii)] **(Ordinary Resolution 7)**

**By Order of the Board**

**Ong Beng Hong/Tan Swee Gek**
**Company Secretaries**
13 April 2023

# Notice of Annual General Meeting

**Explanatory Notes:**

(i) The ordinary resolution 6 proposed above, if passed, will empower the Directors from the passing of the AGM until the date of the next annual general meeting, to allot and issue Shares and convertible securities in the Company up to an amount not exceeding, in total, 100% of the number of issued Shares in the capital of the Company at the time of passing of this resolution, of which up to 50% may be issued other than on a pro-rata basis to existing shareholders of the Company. For determining the aggregate number of Shares that may be issued the total number of issued Shares excluding treasury shares and subsidiary holdings shall be calculated based on the total number of issued Shares excluding treasury shares and subsidiary holdings at the time of this ordinary resolution 6 above is passed after adjusting for new Shares arising from the conversion or exercise of convertible securities, share options or vesting of share awards which are outstanding or subsisting at the time this ordinary resolution 6 above is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(ii) The ordinary resolution 7 proposed in item 8 above, if passed, will empower the Directors to grant Awards under the JCG Share Performance Plan and to allot and issue shares as may be required to be issued pursuant to the vesting of Awards under the JCG Share Performance Plan, provided that the aggregate number of shares over which the Committee may grant Awards on any date, when added to the number of shares issued and issuable in respect of all Awards granted under the JCG Share Performance Plan (and any other share-based incentive scheme of the Company), shall not exceed 15% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) on the day preceding that date.

**Special Notice Regarding Measures to Minimise Risk of Community Spread of 2019 Novel Coronavirus ("COVID-19")**

This AGM is convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 Order 2020**").

Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Company's announcement dated 13 April 2023 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 28 April 2023" which has been uploaded together with this Notice of AGM on SGXNet on the same day. This announcement may also be accessed at the URL https://conveneagm.com/sg/beverlyjcgagm2023. The Annual Report for the financial year ended 31 December 2022 may be accessed at the Company's website at the URL https://www.beverlyjcg.com/investor-relations/annual-report/ under "Annual Report 2022", and has also been made available on SGXNet.

**A. Live AGM Webcast:**

1. The AGM will be held by way of electronic means and a member (including CPF and SRS investors) or his/her/its duly appointed proxies will be able to participate in the proceedings of the AGM through a "live" webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, a member must pre-register by 2.30 p.m. on 26 April 2023, at the URL https://conveneagm.com/sg/beverlyjcgagm2023 (the "**Registration Link**"). The Registration Link will open for registration at 2.30 p.m. on 14 April 2023 until 2.30 p.m. on 26 April 2023 (the "**Registration Deadline**") to enable the Company to verify their status.

2. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM, how to submit questions live and online (in real time) and how to vote live and online (in real time) by 2.30 p.m. on 27 April 2023.

# Notice of Annual General Meeting

3. Members who have received the email instructions must not forward the email instructions to other persons who are not members or who are not entitled to attend the AGM.

4. Members who register by the Registration Deadline but do not receive an email response by 2.30 p.m. on 27 April 2023 may contact the Company by email at ir@jcg-investment.com or by phone at (65) 6708 7630.

**B. Voting at the AGM:**

1. Voting for all resolutions will be conducted by a poll. Voting at the AGM may be carried out in one of two ways, by:

   (a) a member or its duly appointed proxy(ies) voting live and online (in real time) by logging into the URL https://conveneagm.com/sg/beverlyjcgagm2023; or

   (b) submitting a proxy form (in advance of the AGM) appointing the Chairman of the AGM as his/her/its proxy to cast votes, or abstain from voting, on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

2. The accompanying proxy form for the AGM may be accessed at the URL https://conveneagm.com/sg/beverlyjcgagm2023.

3. The proxy forms duly completed and signed, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:

   (a) if sent by post, be deposited at the office of our Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or

   (b) if submitted by email, be received by our Share Registrar, srs.teamd@boardroomlimited.com,

   in either case, not less than forty-eight (48) hours before the time for holding the AGM, and in default the instrument of proxy shall not be treated as valid.

4. CPF or SRS investors may:

   (a) vote live and online (in real time) at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should contact and instruct their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM to allow sufficient time for their respective relevant intermediaries to, in turn, submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date by 5.00 p.m. on 18 April 2023.

# Notice of Annual General Meeting

**C. Submission of Questions:**

1. Members (or their duly appointed proxies) who participate by way of observing the live audio-visual webcast or live audio-only stream of the AGM proceedings may ask questions live and online (in real time) during the AGM by submitting their questions online via the Registration Link: https://conveneagm.com/sg/beverlyjcgagm2023.

2. The directors of the Company will endeavour to address as many substantial and relevant questions submitted online as possible during the AGM. However, member should note that there may not be sufficient time available at the AGM to address all questions raised. Please note that individual responses will not be sent to members.

3. Questions in advance of the AGM may be submitted by 21 April 2023 at 2.30 p.m. via the Registration Link, in hard copy or by sending personally or by post and lodging the same at the office of our Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632, or by email to our Share Registrar, srs.teamd@boardroomlimited.com, if they are not exercising their votes live and online during the AGM. Members are requested to submit their questions as early as possible so as to allow the Company sufficient time to respond.

4. For questions submitted in advance of the AGM, the Company will provide replies to all questions which are substantial and relevant to the resolutions as set out in this Notice of AGM by publication on SGXNet and the Company's website before trading hours on 24 April 2023, which is 48 hours before the commencement of the time period during which members must submit their proxy forms if they are not exercising their votes live and online during the AGM.

5. The Company will also publish the minutes of the AGM (which will include all responses to questions, which are substantial and relevant to the resolutions as set out in this Notice of AGM, submitted live and online during the AGM) on the SGXNet and the Company's website within one month after the date of the AGM.

**Important Reminder:**

**Due to the constantly evolving COVID-19 situation (and/or pursuant to any legislative amendments and directives or guidelines from government agencies or regulatory authorities), the Company may be required to change its AGM arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNet for updates on the AGM.**

**Notes on AGM (these notes are to be read in conjunction with the Special Notice Regarding Measures to Minimise Risk of Community Spread of COVID-19):**

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967 of Singapore (the "**Companies Act**"), a member is entitled to appoint not more than two (2) proxies to participate in the AGM to be electronically via a live-audio visual webcast. Where a member appoints more than one (1) proxy, the proportion of his/her/its shareholding to be represented by each proxy must be specified in each of the proxy forms. As this AGM is held by electronic means, pursuant to the COVID-19 Order 2020, members should note that if they themselves or their duly appointed proxies are not participating at the AGM to vote live and online, the only person they can appoint as proxy to vote on their behalf at the AGM is the Chairman of the meeting. Please be reminded that in that case, the proxy form appointing the Chairman of the meeting must be directed, i.e., the member must indicate for each resolution whether the Chairman of the meeting is directed to vote "for" or "against" or "abstain".

# Notice of Annual General Meeting

2. Pursuant to Section 181(1C) of the Companies Act, any member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to participate in the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where a member who is a Relevant Intermediary appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed must be specified in the relevant proxy form. As this AGM is held by electronic means, pursuant to the COVID-19 Order 2020, members who are Relevant Intermediaries should note that if the relevant CPF and or SRS investors have not requested for themselves to be appointed proxies to participate in the AGM and vote live and online, the only person Relevant Intermediaries can appoint as proxy to vote on their behalf at the AGM is the Chairman of the meeting. Please be reminded that in that case, the proxy form appointing the Chairman of the meeting must be directed, i.e., the member must indicate for each Resolution whether the Chairman of the meeting is directed to vote "for" or "against" or "abstain".

3. The duly executed proxy form appointing a proxy(ies) must be sent personally or by post to the office of our Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 or submitted via email to our Share Registrar, at srs.teamd@boardroomlimited.com by 2.30 p.m. on 26 April 2023.

4. The proxy form appointing a proxy(ies) must be signed by the appointer or his attorney duly authorised in writing. Where a proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. A copy of the power of attorney or such other authority must be submitted together with the duly executed proxy form(s).

5. A depositor's name must appear in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) maintained by The Central Depository (Pte) Limited not later than seventy-two (72) hours before the time set for the AGM in order for the depositor to be entitled to participate and vote at the AGM either live and online or by proxy.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or by attending the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof), the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), the publication of the names and comments of the members at the Annual General Meeting and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. In addition, by attending the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for any of the Purposes.

# Additional Information on Directors Seeking Re-election

Dato' Ng Tian Sang @ Ng Kek Chuan and Mr Yap Siean Sin are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 28 April 2023 ("**AGM**") (the "**Retiring Directors**").

Pursuant to Rule 720(5) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the information relating to the Retiring Directors as set out in Appendix 7F of the Catalist Rules is set out below:

| | **DATO' NG TIAN SANG @ NG KEK CHUAN** | **MR YAP SIEAN SIN** |
|---|---|---|
| Date of Appointment | 29 November 2019 | 27 June 2017 |
| Date of last re-appointment (if applicable) | 29 June 2020 | 29 June 2020 |
| Age | 76 | 63 |
| Country of principal residence | Malaysia | Singapore |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Dato' Ng Tian Sang @ Ng Kek Chuan for re-appointment as the Deputy Chairman and Chief Executive Officer of the Company. The Board has reviewed and concluded Dato' Ng Tian Sang @ Ng Kek Chuan possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. | The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Yap Siean Sin for re-appointment as an Independent Non-Executive Chairman of the Company. The Board has reviewed and concluded Mr Yap Siean Sin possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. |
| Whether appointment is executive, and if so, the area of responsibility | Executive. Dato' Ng Tian Sang @ Ng Kek Chuan is responsible for overseeing the overall management of the Group's business and tasked with leading the strategic review of the Group's business as well as implementing the future plans of the Group as approved by the Board. | Non-Executive |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Executive Deputy Chairman, Chief Executive Officer and a member of the Risk Management Committee. | Independent Non-Executive Chairman, Chairman of the Nominating Committee and the Remuneration Committee, Member of the Audit Committee and the Risk Management Committee. |

# Additional Information on Directors Seeking Re-election

| | DATO' NG TIAN SANG @ NG KEK CHUAN | MR YAP SIEAN SIN |
|---|---|---|
| Professional qualifications | Malaysian Institute of Accountants (MIA), Certified Public Accountant (CPA Australia), Member of the Australian Institute of Company Directors (AICD) and International Honorary President of Western Australian Chinese Chamber of Commerce (WACCC). | Bachelor of Science (Hons) Degree in Architecture and a Post Graduate Diploma in Advance Architecture from Robert Gordon University Aberdeen, UK, Post Graduate Diploma in Town Planning from University of Westminster London, UK, Corporate member of the Royal Institute of British Architects, Malaysia Institute of Town Planners, Malaysian Institute of Architects, British Institute of Interior Design, and an Associate Member of the British Institute of Building Engineers. |
| Working experience and occupation(s) during the past 10 years | <u>2019 – 2020</u><br>Non-Executive, Beverly Bangsar Sdn Bhd<br><br><u>2016 – present</u><br>Executive Director, Beverly Wilshire Medical Centre Sdn Bhd<br>Executive Director, Beverly Wilshire Medical Centre (JB) Sdn Bhd<br>Executive Director, Beverly Wilshire Tropicana City Mall Sdn Bhd<br>Executive Director, Beverly Wilshire Medical Academy and Research Centre Sdn Bhd<br>Non-Executive Director, Beverly Wilshire Hair Transplant Sdn Bhd<br>Non-Executive Director, Beverly Wilshire Cosmetic Surgery Centre Sdn Bhd<br><br><u>2011 – 2015</u><br>Senior Independent Non-Executive Director and Chairman of various committees including Audit, Risk Management and Remuneration Committee, Tropicana Corporation Sdn Bhd<br><br><u>2006 – 2010</u><br>Executive Deputy Chairman, Midwest Corporation Ltd | <u>2009 – present</u><br>Executive Director in Spring Rise Pte Ltd<br><br><u>1995 – present</u><br>Executive Director in Cavacole (S) Pte Ltd |
| Shareholding interest in the listed issuer and its subsidiaries | Yes<br><br>Refer to Appendix A. | Yes<br><br>Beverly JCG Ltd.<br>Direct Interest: 60,000,000 Shares |

# Additional Information on Directors Seeking Re-election

| | DATO' NG TIAN SANG @ NG KEK CHUAN | MR YAP SIEAN SIN |
|---|---|---|
| Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries | Yes, Father of the Executive Director and Deputy Chief Executive Officer of the Company, Mr Howard Ng How Er. | No |
| Conflict of Interest (including any competing business) | Yes. Dato' Ng Tian Sang @ Ng Kek Chuan, and his two sons, Executive Director, Howard Ng How Er, and Alexander Ng Zhonglie (collectively, "**DFN Family**") are shareholders of Beverly Bangsar Sdn Bhd ("**Beverly Bangsar**"), a Malaysian incorporated company which is in the business of provision of aesthetic medical services and in a competing business with the Group. Mr Howard Ng How Er and Mr Alexander Ng Zhonglie are directors of Beverly Bangsar while Dato' Ng Tian Sang @ Ng Kek Chuan has resigned as a director with effect from 1 June 2020.<br><br>Dato' Ng Tian Sang @ Ng Kek Chuan had declared to the Company that he was negotiating the purchase of a stake in Beverly Bangsar at the same time he was negotiating the injection of Beverly Wilshire group of companies into the Company. DFN Family completed the acquisition of 70% of Beverly Bangsar in September 2019.<br><br>While DFN Family owns 62.3% of Beverly Bangsar, the Sloane Group Sdn Bhd owns 26.7% and Wong Jinly owns 11.0% (collectively, the "**Proposed Vendors**"). The Company has entered into a sales and purchase agreement with the Proposed Vendors to acquire ordinary shares representing 100% of the total issued share capital in Beverly Bangsar. | No |

# Additional Information on Directors Seeking Re-election

| | DATO' NG TIAN SANG @ NG KEK CHUAN | MR YAP SIEAN SIN |
|---|---|---|
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes |
| Other Principal Commitments* Including Directorships# (for the last 5 years)<br><br>* "Principal Commitments" has the same meaning as defined in the Code.<br><br># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8) | Past (for the past 5 years):<br>– Tropicana Corporation Bhd<br>– Fortune Star Vision Sdn Bhd<br>– Glory Green Sdn Bhd<br>– Global Synergy Avenue Sdn Bhd<br>– Index Vibrant Sdn Bhd<br>– Tropicana Danga Senibong Holding Sdn Bhd<br>– Lido Waterfront Boulevard Sdn Bhd<br>– Demi Hasrat Sdn Bhd<br>– Enhance Benefits Sdn Bhd<br>– Advantage Summer Sdn Bhd<br>– Tropicana Danga Senibong Sdn Bhd<br><br>Present:<br>– Beverly Wilshire Medical Centre Sdn Bhd<br>– Beverly Wilshire Medical Centre (JB) Sdn Bhd<br>– Beverly Wilshire Tropicana City Mall Sdn Bhd<br>– Beverly Wilshire Medical Academy and Research Centre Sdn Bhd<br>– Beverly Wilshire Hair Transplant Sdn Bhd<br>– Beverly Wilshire Cosmetic Surgery Centre Sdn Bhd | Past (for the past 5 years):<br>– Asia Pacific Strategic Investment Limited<br>– Cosmos Gateway Sdn Bhd<br>– Huizhou Energy (S) Pte Ltd<br>– Huizhou Energy Sdn Bhd<br>– Indusplex Sdn Bhd<br>– Snap Innovations Sdn Bhd<br><br>Present:<br>– Executive Director in Spring Rise Pte Ltd<br>– Executive Director in Cavacole (S) Pte Ltd<br>– Spring Malaysia (MM2H) Sdn Bhd<br>– Timur Baiduri Sdn Bhd<br>– Arealink Corporation Sdn Bhd<br>– Seni Rancang (M) Sdn Bhd<br>– Moi Siean Holdings Sdn Bhd<br>– Jururancang YSS (Sole Proprietorship)<br>– Arkitek Seni Perunding (Sole Proprietorship)<br>– Pacific Coast Pte Ltd |
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No |

# Additional Information on Directors Seeking Re-election

| | DATO' NG TIAN SANG @ NG KEK CHUAN | MR YAP SIEAN SIN |
|---|---|---|
| (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No | No |
| (c) Whether there is any unsatisfied judgment against him? | No | No |
| (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No | No |
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No |

# Additional Information on Directors Seeking Re-election

| | DATO' NG TIAN SANG @ NG KEK CHUAN | MR YAP SIEAN SIN |
|---|---|---|
| (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No | No |
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No |
| (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No | No |
| (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No |

# Additional Information on Directors Seeking Re-election

| | DATO' NG TIAN SANG @ NG KEK CHUAN | MR YAP SIEAN SIN |
|---|---|---|
| (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–<br><br>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or<br><br>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or<br><br>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or<br><br>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,<br><br>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | No | No |
| (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | No | No |

# Additional Information on Directors Seeking Re-election

**Appendix A**

**Dato' Ng Tian Sang @ Ng Kek Chuan – Disclosure of Shareholding Interests in the Listed Issuer and its Subsidiaries**

| | | Shares/ Warrants | No. of ordinary shares/warrants Direct Interests | No. of ordinary shares/warrants Deemed interests | No. of ordinary shares/warrants Total |
|---|---|---|---|---|---|
| Listed Issuer | Beverly JCG Ltd. | Shares<br>Warrants | 1,734,422,533<br>701,961,174 | 959,635,423<br>199,665,675 | 2,694,057,956<br>901,626,849 |
| Subsidiary | Beverly Wilshire Medical Centre Sdn Bhd | Shares | 3,737,405 | 3,942,885 | 7,680,290 |
| Subsidiary | Beverly Wilshire Medical Centre (JB) Sdn Bhd | Shares | 1,772,444 | 1,739,736 | 3,512,180 |
| Subsidiary | Beverly Wilshire Tropicana City Mall Sdn Bhd | Shares | 220,509 | 213,174 | 433,683 |
| Subsidiary | Beverly Wilshire Aesthetic Dental Centre Sdn Bhd | Shares | 656,347 | 262,538 | 918,885 |
| Subsidiary | Beverly Wilshire Hair Transplant Sdn Bhd | Shares | 2,440 | 1,960 | 4,400 |
| Subsidiary | Beverly Wilshire Medical Academy and Research Centre Sdn Bhd | Shares | – | 101,210 | 101,210 |
| Subsidiary | Beverly Wilshire Cosmetic Surgery Centre Sdn Bhd | Shares | – | 2,829 | 2,829 |

This page has been intentionally left blank

## PROXY FORM

**IMPORTANT:**

1. For investors who have used their Central Provident Fund or Supplementary Retirement Scheme monies to buy Shares in the Company (the "**CPF Investors**" or "**SRS Investors**"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPF or SRS Investors may:
   (a) vote live and online (in real time) at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should contact and instruct their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM, i.e. by 5.00 p.m. on 18 April 2023, to allow sufficient time for their respective Relevant Intermediaries to submit a proxy form(s) to appoint the Chairman of the AGM to vote on their behalf.

## ANNUAL GENERAL MEETING
## BEVERLY JCG LTD.

ACRA Registration Number: 200505118M
(Incorporated in the Republic of Singapore)

I/We ________________________________________ (Name)

of ________________________________________ (Address)

being a *member/members of Beverly JCG Ltd. (the "**Company**") hereby appoint:

(a)

| Name | Address | Email Address** | NRIC/Passport No. | Proportion of Shareholdings (%) |
|---|---|---|---|---|
| | | | | |

and/or (delete as appropriate)

| Name | Address | Email Address** | NRIC/Passport No. | Proportion of Shareholdings (%) |
|---|---|---|---|---|
| | | | | |

OR

(b) the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy to attend and to vote for me/us on my/our behalf at the AGM of the Company to be held by way of electronic means on 28 April 2023 at 2.30 p.m. and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the resolutions or abstain from the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, in respect of a resolution, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

**Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted instrument appointing a proxy(ies) to pre-register at the pre-registration website at the URL https://conveneagm.com/sg/beverlyjcgagm2023 in order to access the live audio-visual webcast or live audio-only stream of the Annual General Meeting proceedings.

| No. | Resolutions Relating To: | For | Against | Abstain |
|---|---|---|---|---|
| | **Ordinary Business** | | | |
| 1. | **Ordinary Resolution 1**<br>Adoption of Directors' Statement, Auditors Report and Audited Financial Statements for the financial year ended 31 December 2022 | | | |
| 2. | **Ordinary Resolution 2**<br>Re-election of Dato' Ng Tian Sang @ Ng Kek Chuan as a Director of the Company | | | |
| 3. | **Ordinary Resolution 3**<br>Re-election of Mr Yap Siean Sin as a Director of the Company | | | |
| 4. | **Ordinary Resolution 4**<br>Approval of Directors' Fees for the financial year ending 31 December 2023 | | | |
| 5. | **Ordinary Resolution 5**<br>Re-appointment of Messrs RT LLP as Auditors of the Company | | | |
| | **Special Business** | | | |
| | **Ordinary Resolutions** | | | |
| 6. | **Ordinary Resolution 6**<br>Authority to allot and issue shares | | | |
| 7. | **Ordinary Resolution 7**<br>Authority to allot and issue shares pursuant to the JCG Share Performance Plan | | | |

(The resolutions put to vote at the AGM shall be decided by poll. Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the resolutions or to abstain from voting on a resolution as set out in the Notice of AGM. Alternatively, if you wish to exercise some and not all of your votes both "For" and "Against" the relevant resolution and/or to abstain from voting in respect of the relevant resolution, please indicate the number of shares in the boxes provided. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.)**

*Please delete accordingly

Dated this ____ day of 2023.

Number of Shares held in

| | |
|---|---|
| CDP Register | |
| Member's Register | |
| **TOTAL** | |

________________________________________
Signature of Shareholder(s) or Common Seal

________________________________________
Contact Number/Email Address of Member(s)

**Important: Please read notes overleaf**

**Notes:**

1. For the AGM, members of the Company may vote by registering to participate in the AGM themselves or by their duly appointed proxies live and online in accordance with the instructions set out in the Company's announcement dated 13 April 2023 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 28 April 2023".

2. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares registered in your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two proxies. Where such a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy must be specified in the relevant proxy form.

4. A "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

5. A member who is a Relevant Intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such a member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

6. A proxy need not be a member of the Company.

7. The proxy form appointing a proxy must be signed under the hand of the appointor or by his attorney duly authorised in writing. Where the proxy form appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a proxy form(s) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be sent with the executed proxy form either by post or by email, failing which the proxy form may be treated as invalid.

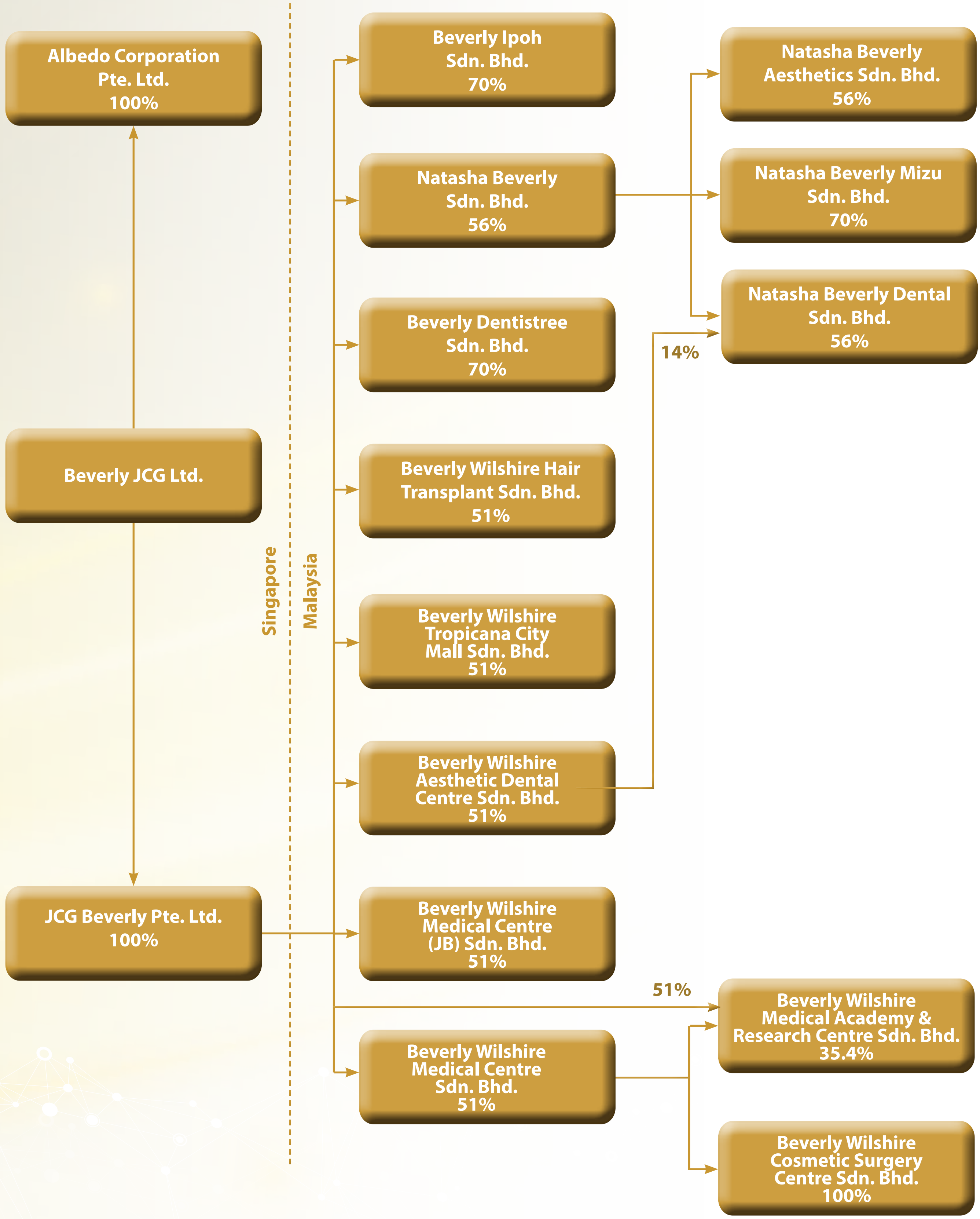
8. The duly executed instrument appointing a proxy or proxies must be sent by post to the office of our Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 or submitted via email to our Share Registrar, at srs.teamd@boardroomlimited.com, not less than forty-eight (48) hours before the time set for the AGM.

9. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form (including any related attachment) (such as in the case where the appointor submits more than one proxy form appointing the Chairman of the AGM as proxy). In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form appointing the Chairman of the AGM as proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2023.

# Corporate Structure



Beverly Wilshire Medical Centre Sdn. Bhd.
Level 9, Kenanga Tower,
No. 237 Jalan Tun Razak,
50400 Kuala Lumpur
Tel (Reception): 03 2118 2888

Beverly Wilshire Tropicana City Mall Sdn. Bhd.
L1-03, Level 1, 3 Damansara,
No. 3, Jalan SS 20/27,
47400 Petaling Jaya, Selangor
Tel: 03 7710 6888

Beverly Wilshire Aesthetic Dental Centre Sdn. Bhd.
Level 9, Kenanga Tower,
N0. 237 Jalan Tun Razak,
50400 Kuala Lumpur.
Tel: 03 2118 2999

Beverly Wilshire Medical Centre (JB) Sdn. Bhd.
Level 3 (05-09), Menara Landmark, 12,
Jalan Ngee Heng,
80000 Johor Bahru, Johor
Tel : 07 2282 888

Natasha Beverly Sdn. Bhd.
96, Jalan Maarof, Bangsar,
Taman Bandaraya,
59100 WP Kuala Lumpur
Tel: 03 2201 0138 / 03 2201 0126

Beverly Dentistree Sdn. Bhd.
A-1-5, Sunway Nexis, No 1,
Jalan PJU 5/1, Kota Damansara,
47810 Petaling Jaya, Selangor
Tel : 03 7622 9680

Natasha Beverly Aesthetics Sdn. Bhd.
No.96 G-1, Jalan Maarof, Bangsar,
Taman Bandaraya,
59100 WP Kuala Lumpur
Tel : 03 2201 0126

Natasha Beverly Dental Sdn. Bhd.
No.96, Jalan Maarof, Bangsar,
Taman Bandaraya,
59100 WP Kuala Lumpur
Tel : 03 2201 0116

Natasha Beverly Mizu Sdn. Bhd.
96, Jalan Maarof, Bangsar,
Taman Bandaraya,
59100 WP Kuala Lumpur
Tel: 03 2201 0138

Beverly Ipoh Sdn. Bhd.
Clinic name: Dr Elaine @ Beverly (Ipoh)
No. 24, Lorong Taman Ipoh 1,
Taman Ipoh Selatan,
31400 Ipoh Perak Malaysia
Tel: 05 610 1031

# BEVERLY JCG LTD.

BEVERLY WILSHIRE
MEDICAL CENTRE
碧 薇 麗

BEVERLY JCG LTD.
(Company Registration Number: 200505118M)

REGISTERED OFFICE
160 Robinson Road #05-08 SBF Centre Singapore 068914

BUSINESS ADDRESS
160 Robinson Road #05-08 SBF Centre Singapore 068914
T 65 6708 7630 | E ir@jcg-investment.com | W www.beverlyjcg.com