

BEVERLY JCG LTD.

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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The quarterly reporting of financial statements is mandatory for Beverly JCG Ltd. pursuant to Rule 705(2) of the Singapore Exchange Securities Trading Limited's Listing Manual Section B: Rules of Catalyst (the "Catalist Rules"). The foregoing statement is made pursuant to Rule 705(2C) of the Catalyst Rules.

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

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

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

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

A. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Note | Group | | | | | |
|---|------|------------------------------|------------------------------|---------|------------------------------|------------------------------|---------|
| | | 3 months | | +/- (-) | 9 months | | +/- (-) |
| | | 1 Jul 2022 to 30 Sep 2022 | 1 Jul 2021 to 30 Sep 2021 | | 1 Jan 2022 to 30 Sep 2022 | 1 Jan 2021 to 30 Sep 2021 | |
| | | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| Revenue | 4.2 | 3,118 | 2,154 | 45% | 8,011 | 6,155 | 30% |
| Cost of Sales | | (1,610) | (1,130) | 42% | (3,894) | (3,222) | 21% |
| Gross Profit | | 1,508 | 1,024 | 47% | 4,117 | 2,933 | 40% |
| Gross Profit Margin | | 48% | 48% | - | 51% | 48% | 3% |
| Other income | | 20 | 123 | (84%) | 90 | 421 | (79%) |
| Selling and distribution expenses | | (59) | 40 | N.M. | (161) | (165) | (2%) |
| Administrative expenses | | (1,957) | (1,634) | 20% | (5,937) | (5,227) | 14% |
| Finance expenses | | (117) | (59) | 98% | (204) | (222) | (8%) |
| Loss for the financial period before income tax | | (605) | (506) | 19% | (2,095) | (2,260) | (7%) |
| Income tax credit | 7 | 46 | 57 | (19%) | 134 | 136 | (1%) |
| Loss for the financial period | | (559) | (449) | 24% | (1,961) | (2,124) | (8%) |
| Other comprehensive income/(loss), net of tax: | | | | | | | |
| Exchange differences on translation of foreign operations | | 5 | (5) | N.M. | 13 | 5 | >100% |
| Total comprehensive loss for the period | | (554) | (454) | 22% | (1,948) | (2,119) | (8%) |
| Loss for the period attributable to: | | | | | | | |
| Equity holders of the Company | | (542) | (475) | 14% | (1,778) | (1,808) | (2%) |
| Non-controlling interests | | (17) | 26 | N.M. | (183) | (316) | (42%) |
| | | (559) | (449) | 24% | (1,961) | (2,124) | (8%) |
| Total comprehensive loss for the period attributable to: | | | | | | | |
| Equity holders of the Company | | (537) | (480) | 12% | (1,765) | (1,803) | (2%) |
| Non-controlling interests | | (17) | 26 | N.M. | (183) | (316) | (42%) |
| | | (554) | (454) | 22% | (1,948) | (2,119) | (8%) |

N.M.: Not Meaningful

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

B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | | Group | | Company | |
|---|-------------|----------------------|----------------------|----------------------|----------------------|
| | | As at 30 Sep 2022 | As at 31 Dec 2021 | As at 30 Sep 2022 | As at 31 Dec 2021 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>ASSETS</u> | | | | | |
| Current assets | Note | | | | |
| Cash and cash equivalents | | 1,318 | 913 | 721 | 192 |
| Trade and other receivables | 8 | 962 | 924 | 859 | 739 |
| Inventories | | 390 | 407 | - | - |
| Total current assets | | 2,670 | 2,244 | 1,580 | 931 |
| Non-current assets | | | | | |
| Investment in subsidiaries | 10 | - | - | 2,417 | 2,417 |
| Property, plant and equipment | 11 | 4,719 | 5,018 | 33 | 135 |
| Intangible assets | 12 | 765 | 1,054 | - | - |
| Total non-current assets | | 5,484 | 6,072 | 2,450 | 2,552 |
| Total assets | | 8,154 | 8,316 | 4,030 | 3,483 |
| <u>LIABILITIES AND EQUITY</u> | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 13 | 4,651 | 4,471 | 1,697 | 1,245 |
| Income tax payable | | 15 | 18 | - | - |
| Borrowings | 14(b) | 855 | 980 | 676 | 800 |
| Lease liabilities | 14(a) | 679 | 616 | 26 | 124 |
| Total current liabilities | | 6,200 | 6,085 | 2,399 | 2,169 |
| Non-current liabilities | | | | | |
| Borrowings | 14(b) | 941 | 299 | 705 | - |
| Lease liabilities | 14(a) | 1,815 | 1,643 | - | - |
| Deferred income tax liabilities | | 111 | 242 | - | - |
| Total non-current liabilities | | 2,867 | 2,184 | 705 | - |
| Total liabilities | | 9,067 | 8,269 | 3,104 | 2,169 |
| Net assets/(liabilities) | | (913) | 47 | 926 | 1,314 |
| <u>EQUITY</u> | | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | | |
| Share capital | 15 | 73,982 | 72,994 | 73,982 | 72,994 |
| Settlement shares and warrants receivables | 9 | (3,557) | (3,557) | (3,557) | (3,557) |
| Other reserves | | 3,052 | 3,039 | 3,074 | 3,074 |
| Accumulated losses | | (74,469) | (72,691) | (72,573) | (71,197) |
| | | (992) | (215) | 926 | 1,314 |
| Non-controlling interests | | 79 | 262 | - | - |
| Total equity | | (913) | 47 | 926 | 1,314 |

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

C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Group | | | |
|---|----------------|-------------|----------------|--------------|
| | 3 months ended | | 9 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from operating activities | | | | |
| Net loss | (559) | (449) | (1,961) | (2,124) |
| Adjustment for: | | | | |
| Income tax credit | (46) | (40) | (134) | (119) |
| Depreciation of property, plant and equipment | 380 | 443 | 1,146 | 1,183 |
| Amortisation of intangible assets | 96 | 95 | 289 | 288 |
| Gain due to modification of lease | - | - | - | (143) |
| Unrealised currency translation gain | 100 | (3) | 203 | 45 |
| Interest expenses | 117 | 59 | 204 | 222 |
| Operating cash flows before movements in working capital | 88 | 105 | (253) | (648) |
| Trade and other receivables | 88 | 128 | (38) | (18) |
| Inventories | 80 | (8) | 17 | (81) |
| Trade and other payables | 1 | (242) | 48 | 59 |
| Net cash from/(used in) operating activities | 257 | (17) | (226) | (688) |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | (63) | (39) | (101) | (546) |
| Net cash used in investing activities | (63) | (39) | (101) | (546) |

Group

| | 3 months ended | | 9 months ended | |
|---|----------------|--------------|----------------|--------------|
| | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from financing activities | | | | |
| Net proceeds from share subscription | - | - | 600 | - |
| Bank deposit discharged | - | - | - | 10 |
| Bank deposit pledged | (31) | (30) | (31) | (69) |
| Proceeds from advances | - | - | 525 | - |
| Proceeds from share subscription, pending issuance of new shares | - | 105 | - | 105 |
| Net proceeds from rights issue | - | - | - | 1,913 |
| Proceeds from borrowings | 705 | 132 | 821 | 523 |
| Repayment of lease liabilities | (285) | (389) | (810) | (699) |
| Repayment of borrowings | (464) | (245) | (608) | (224) |
| Interest paid | (77) | (22) | (99) | (63) |
| Net cash (used in)/from financing activities | (152) | (449) | 398 | 1,496 |
| Net increase in cash and cash equivalents | 42 | (505) | 71 | 262 |
| Cash and cash equivalents at the beginning of the financial period | 815 | 847 | 789 | 83 |
| Effects of currency translation on cash and cash equivalents | 7 | 2 | 4 | (1) |
| Cash and cash equivalents at the end of the financial period | 864 | 344 | 864 | 344 |

Consolidated cash and cash equivalents are represented by:

| | | | | |
|--|------------|------------|------------|------------|
| Cash and bank balances | 1,318 | 739 | 1,318 | 739 |
| Less: fixed deposits pledged | (150) | (91) | (150) | (91) |
| Less: bank overdrafts | (304) | (304) | (304) | (304) |
| Cash and cash equivalents per consolidated statements of cash flows | 864 | 344 | 864 | 344 |

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

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

| Group | Share capital S\$'000 | Settlement shares and warrants receivables S\$'000 | Currency translation reserves S\$'000 | Accumulated losses S\$'000 | Share option reserves S\$'000 | Warrant reserves S\$'000 | Equity attributable to owners of the Company S\$'000 | Non-controlling interests S\$'000 | Total equity S\$'000 |
|--|--------------------------|---|--|-------------------------------|----------------------------------|-----------------------------|---|--------------------------------------|-------------------------|
| Balance as at 1 January 2021 | 71,623 | - | (38) | (70,191) | 25 | 1,880 | 3,299 | 541 | 3,840 |
| Net loss for the financial period | - | - | - | (1,808) | - | - | (1,808) | (316) | (2,124) |
| Other comprehensive loss | - | - | 5 | - | - | - | 5 | - | 5 |
| Total comprehensive loss for the financial period | - | - | 5 | (1,808) | - | - | (1,803) | (316) | (2,119) |
| Issuance of share capital, net of expenses | 1,882 | - | - | - | - | - | 1,882 | - | 1,882 |
| Balance as at 30 September 2021 | 73,505 | - | (33) | (71,999) | 25 | 1,880 | 3,378 | 225 | 3,603 |
| Balance as at 1 January 2022 | 72,994 | (3,557) | (35) | (72,691) | 25 | 3,049 | (215) | 262 | 47 |
| Net loss for the financial period | - | - | - | (1,778) | - | - | (1,778) | (183) | (1,961) |
| Other comprehensive loss | - | - | 13 | - | - | - | 13 | - | 13 |
| Total comprehensive loss for the financial period | - | - | 13 | (1,778) | - | - | (1,765) | (183) | (1,948) |
| Issuance of share capital, net of expenses | 988 | - | - | - | - | - | 988 | - | 988 |
| Balance as at 30 September 2022 | 73,982 | (3,557) | (22) | (74,469) | 25 | 3,049 | (992) | 79 | (913) |

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| Company | Share capital S\$'000 | Settlement shares and warrants receivables S\$'000 | Accumulated losses S\$'000 | Share option reserves S\$'000 | Warrant reserves S\$'000 | Total equity S\$'000 |
|--|----------------------------------|---|---|--|---|-------------------------------------|
| Balance as at 1 January 2021 | 71,623 | - | (69,294) | 25 | 1,880 | 4,234 |
| Loss for the financial period | - | - | (1,340) | - | - | (1,340) |
| Issuance of share capital, net of expenses | 1,882 | - | - | - | - | 1,882 |
| Balance as at 30 September 2021 | 73,505 | - | (70,634) | 25 | 1,880 | 4,776 |
| Balance as at 1 January 2022 | 72,994 | (3,557) | (71,197) | 25 | 3,049 | 1,314 |
| Loss for the financial period | - | - | (1,376) | - | - | (1,376) |
| Issuance of share capital, net of expenses | 988 | - | - | - | - | 988 |
| Balance as at 30 September 2022 | 73,982 | (3,557) | (72,573) | 25 | 3,049 | 926 |

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

During the three months financial period ended 30 September 2022, there has been no change in the issued and paid-up share capital of the Company.

The number of outstanding convertibles as at 30 September 2022 was 4,366,394,559 (30 September 2021: 3,911,394,559). Accordingly, as at 30 September 2022, the number of new ordinary shares that may be issued on conversion of all the outstanding convertibles was 4,366,394,559 (30 September 2021: 3,911,394,559) which represented approximately 22.2% (30 September 2021: 21.0%) of the total issued shares of the Company.

The Company did not have any treasury shares or subsidiary holdings as at 30 September 2022 and 30 September 2021.

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

The total number of issued ordinary shares (excluding treasury shares) as at 30 September 2022 was 19,681,411,589 (31 December 2021: 18,662,715,589).

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

Not applicable. The Company did not have any treasury shares during the financial period ended and as at 30 September 2022.

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

Not applicable. The Company did not have any subsidiary holdings during the financial period ended and as at 30 September 2022.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Beverly JCG Ltd. (the "**Company**") is incorporated in Singapore (Registration No: 200505118M) with its principal place of business and registered office at 600 North Bridge Road, #06-02 Parkview Square, Singapore 188778. The Company was listed on the Catalyst Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 13 April 2006.

The principal activities of the Company are those of investment holding and provision of management services.

The principal activities of its subsidiaries are aesthetic medical and healthcare, and trading and distribution as disclosed in Note 10 to the condensed interim consolidated financial statements.

2. Basis of preparation

The condensed interim consolidated financial statements for the nine months ended 30 September 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 Interim Financial Reporting.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and financial performance of the Group since the last financial statements for the financial year ended 31 December 2021.

The accounting policies and method of computation adopted are consistent with the most recently audited financial statements for the financial year ended 31 December 2021 which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Singapore dollar which is the functional currency of the Company and all financial information presented in Singapore dollar are rounded to the nearest thousand (S\$'000) except otherwise indicated.

2.1 New and amended standards adopted by the Group

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2021, except for the adoption of new or revised SFRS(I) and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are mandatory for the financial year beginning on or after 1 January 2022. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

2.2 Critical accounting estimates, assumptions and judgements

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the financial year ended 31 December 2021.

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

2.3 Going concern

The Group and the Company incurred a total loss of S\$1.961 million (30 September 2021: S\$2.124 million) and S\$1.376 million (30 September 2021: S\$1.340 million) respectively and the Group also incurred net operating cash outflows of S\$0.226 million (30 September 2021: S\$0.688 million) for the financial period ended 30 September 2022. As at 30 September 2022, the Group's current liabilities exceeded its current assets by S\$3.530 million (31 December 2021: S\$3.841 million).

Nevertheless, the Board of Directors (including the Audit Committee) believe that the use of the going concern assumption in the preparation of the financial statements for the financial period ended 30 September 2022 is appropriate after taking into consideration the following assumptions and measures:

- (i) On 23 August 2022, the Company has 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 "**Original Advance Agreements**") with each of Lee Huek Ping, Yap Mee Lee, Dato' Ng Tian Sang @ Ng Kek Chuan and Gouthaman s/o Jayaram (collectively, the "**Lenders**") on 18 August 2022 and 22 August 2022 pursuant to which the Lenders have agreed to extend unsecured interest-bearing loans for an aggregate amount of S\$915,000.

On 2 September 2022, Gouthaman s/o Jayaram informed the Company that he is unable to extend the loan amount of S\$210,000 after conducting a reassessment of his personal investment profile. Subsequently, on 12 October 2022, the Company entered into advance agreements (collectively with the Original Advance Agreements but excluding the advance agreement with Gouthaman s/o Jayaram, the "**Advance Agreements**") with each of Ong Chee Koen and Pang Tee Nam for the sum of S\$105,000 each to extend unsecured interest-bearing loans to the Company.

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 Chairman & CEO of the Company and 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 are less than 5% of the total issued share capital of the Company. Additionally, the Chairman & CEO has signed a letter of declaration dated 22 August 2022 and a letter of agreement dated 22 August 2022 that he will enter into a loan agreement by 24 November 2022 to provide a loan of an aggregate amount of S\$300,000 to the Company by 28 February 2023 if the Company is unable to secure any other lenders for such sum. The Company is able to repay the above loans on their respective repayment dates.

2.3 Going concern (cont'd)

- (iii) On 24 August 2022, the Company has 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.

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 on 17 August 2022 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. The BW Malaysia Entities have subsequently on 11 November 2022 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) Better financial performance from aesthetic medical and healthcare segment in Malaysia which is expected to continue.

The Beverly Wilshire group of companies in Malaysia, which contributed about 96% of the Group's revenue during the nine-month financial period ended 30 September 2022 ("**9M 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 has increased by 28% to S\$7.670 million for 9M FY2022 from S\$5.982 million in the corresponding nine-month financial period ended 30 September 2021 ("**9M 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\$1.115 million of revenue to the Group for 9M FY2022, a 121% increase as compared to S\$0.504 million in 9M FY2021. These entities are currently loss-making although the loss for the newly incorporated entities has narrowed from S\$0.315 million in 9M FY2021 to S\$0.221 million in 9M FY2022.

2.3 Going concern (cont'd)

The above was achieved with the domestic market alone due to the border closure measures undertaken by the Malaysia government during the Covid-19 pandemic. 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 more than 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 9M FY2022 which recorded an increase in revenue of 28% to S\$7.670 million from S\$5.982 million in 9M FY2021. The loss for the Group's aesthetic medical and healthcare segment has narrowed from S\$0.715 million in 9M FY2021 to S\$0.429 million in 9M FY2022.

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

- (vi) Subject to the necessary approvals being obtained from shareholders and/or the 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.

3. Seasonal operations

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

4. Segment and revenue information

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. |

4.1 Reportable Segments

Segment revenue and results

| Group | Aesthetic medical and healthcare S\$'000 | Trading and distribution S\$'000 | Investment and others S\$'000 | Total S\$'000 |
|---|---|-------------------------------------|----------------------------------|------------------------------|
| 9 months ended 30 September 2022 | | | | |
| Segment revenue | | | | |
| - External parties | <u>7,670</u> | <u>341</u> | <u>-</u> | <u>8,011</u> |
| Gross profit | <u>4,108</u> | <u>9</u> | <u>-</u> | <u>4,117</u> |
| Other income | 90 | -* | -* | 90 |
| Expenses | | | | |
| - Distribution | (99) | (62) | - | (161) |
| - Administrative | (4,479) | (60) | (1,398) | (5,937) |
| - Finance | (183) | (1) | (20) | (204) |
| Loss before income tax | <u>(563)</u> | <u>(114)</u> | <u>(1,418)</u> | <u>(2,095)</u> |
| Income tax credit | <u>134</u> | <u>-</u> | <u>-</u> | <u>134</u> |
| Loss for the financial period | <u><u>(429)</u></u> | <u><u>(114)</u></u> | <u><u>(1,418)</u></u> | <u><u>(1,961)</u></u> |

* Less than S\$1,000

| Group | Aesthetic medical and healthcare S\$'000 | Trading and distribution S\$'000 | Investment and others S\$'000 | Total S\$'000 |
|---|---|---|--|--------------------------|
| 9 months ended 30 September 2021 | | | | |
| Segment revenue | | | | |
| - External parties | 5,982 | 173 | - | 6,155 |
| Gross profit | 2,924 | 9 | - | 2,933 |
| Other income | 365 | 9 | 47 | 421 |
| Expenses | | | | |
| - Distribution | (101) | (64) | - | (165) |
| - Administrative | (3,811) | (53) | (1,363) | (5,227) |
| - Finance | (211) | (1) | (10) | (222) |
| Loss before income tax | (834) | (100) | (1,326) | (2,260) |
| Income tax credit | 119 | 17 | - | 136 |
| Loss for the financial period | (715) | (83) | (1,326) | (2,124) |

Segment Assets and Liabilities

| Group | Aesthetic medical and healthcare S\$'000 | Trading and distribution S\$'000 | Investment and others S\$'000 | Total S\$'000 |
|--|---|---|--|--------------------------|
| As at 30 September 2022 | | | | |
| <u>Assets and liabilities</u> | | | | |
| Segment and consolidated total assets | 7,105 | 104 | 945 | 8,154 |
| Consolidated total assets | | | | 8,154 |
| Segment and consolidated total liabilities | 6,592 | 18 | 2,457 | 9,067 |
| Consolidated total liabilities | | | | 9,067 |

| Group | Aesthetic medical and healthcare S\$'000 | Trading and distribution S\$'000 | Investment and others S\$'000 | Total S\$'000 |
|---|--|--|-------------------------------------|------------------|
| As at 31 Dec 2021 | | | | |
| Assets and liabilities | | | | |
| Segment and consolidated total assets | 7,794 | 98 | 424 | 8,316 |
| Consolidated total assets | | | | 8,316 |
| Segment and consolidated total liabilities | 6,821 | 24 | 1,424 | 8,269 |
| Consolidated total liabilities | | | | 8,269 |

4.2 Disaggregation of revenue

| | Group | | | |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | 3 months ended | | 9 months ended | |
| | 30 Sep 2022 S\$'000 | 30 Sep 2021 S\$'000 | 30 Sep 2022 S\$'000 | 30 Sep 2021 S\$'000 |
| At a point in time | | | | |
| Aesthetic medical and healthcare | | | | |
| - Malaysia | 2,991 | 2,154 | 7,670 | 5,982 |
| Trading and distribution | | | | |
| - Singapore | 127 | - | 341 | 173 |
| | <u>3,118</u> | <u>2,154</u> | <u>8,011</u> | <u>6,155</u> |

5. Financial instruments

The following table sets out the financial assets and liabilities as at the end of the reporting period:

| | Group | | Company | |
|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | As at 30 Sep 2022 | As at 31 Dec 2021 | As at 30 Sep 2022 | As at 31 Dec 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Financial assets | | | | |
| Amortised cost | <u>2,146</u> | <u>1,620</u> | <u>1,518</u> | <u>888</u> |
| Financial liabilities | | | | |
| Amortised cost | <u>6,447</u> | <u>5,750</u> | <u>3,078</u> | <u>2,045</u> |
| Lease liabilities | <u>2,494</u> | <u>2,259</u> | <u>26</u> | <u>124</u> |

6. Profit before taxation

6.1 Significant items

| | Group | | | |
|---|-----------------------|--------------------|-----------------------|--------------------|
| | 3 months ended | | 9 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>Income</u> | | | | |
| Rental income | (3) | 12 | 2 | 35 |
| Rental rebates | 11 | - | 19 | - |
| Share services fee income – related party | 4 | 28 | 14 | 40 |
| Share services fee income – third party | 12 | 15 | 27 | 15 |
| Vaccination fee income | - | 20 | 16 | 21 |
| Gain due to modification of lease | - | - | - | 143 |
| Government grants | - | 48 | - | 105 |
| <u>Expenses</u> | | | | |
| Depreciation of property, plant and equipment | (380) | (443) | (1,146) | (1,183) |
| Amortisation of intangible assets | (96) | (95) | (289) | (288) |
| Interest expenses | (117) | (59) | (204) | (222) |
| Foreign exchange loss | (2) | (1) | (2) | (6) |

* Less than S\$1,000

6.2 Related party transactions

In addition to the information disclosed elsewhere in the condensed interim consolidated financial statements, the following transactions were carried out with related parties in the normal course of business on terms agreed between the parties:

Sales and purchases of goods and services

| | Group | | | |
|-------------------------|-----------------------|--------------------|-----------------------|--------------------|
| | 3 months ended | | 9 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Sales of products | 17 | 13 | 62 | 52 |
| Support services income | 4 | 28 | 14 | 40 |
| Purchase of products | 37 | 9 | 37 | 28 |
| Administrative expenses | - | 1 | - | 3 |
| Finance expenses | - | -* | - | 3 |
| | 58 | 51 | 113 | 126 |

* Less than S\$1,000

7. Taxation

The Group calculates income tax expense for the financial period using the tax rates prevailing in the relevant jurisdiction. The major components of income tax expense in the condensed interim consolidated statements of comprehensive income are:

| | Group | | | |
|---|-----------------------|--------------------|-----------------------|--------------------|
| | 3 months ended | | 9 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Overprovision in respect of prior years' income tax | - | 17 | - | 17 |
| Deferred income tax | 46 | 40 | 134 | 119 |
| | 46 | 57 | 134 | 136 |

8. Trade and other receivables

| | Group | | Company | |
|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | As at 30 Sep 2022 | As at 31 Dec 2021 | As at 30 Sep 2022 | As at 31 Dec 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Trade receivables | | | | |
| - Non-related parties | 251 | 241 | - | - |
| - Related parties | 38 | 5 | - | - |
| | 289 | 246 | | |
| Less: Loss allowance | (40) | (42) | - | - |
| | 249 | 204 | - | - |
| Other receivables | | | | |
| - Subsidiaries | - | - | 711 | 643 |
| - Related parties | 38 | 20 | 15 | - |
| - Non-related parties | 149 | 95 | 15 | 17 |
| | 187 | 115 | 741 | 660 |
| Deposits | 392 | 388 | 56 | 36 |
| Prepayments | 134 | 217 | 62 | 43 |
| | 962 | 924 | 859 | 739 |

9. 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 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 of the acquisition was removed;
- TSY and the Company shall endeavor to complete the unwinding of the acquisition by no later than 31 August 2022 and if this is not achieved, both parties shall provide assistance for completion as soon as possible without any limit in time;
- 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.

9. Settlement shares and warrants receivables (cont'd)

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 30 September 2022.

10. Investment in subsidiaries

| | Company | |
|---------------------------------|--------------------|--------------------|
| | As at | As at |
| | 30 Sep 2022 | 31 Dec 2021 |
| | S\$'000 | S\$'000 |
| Unquoted equity shares, at cost | 2,417 | 2,417 |

Details of the Group's subsidiaries are as follows:

| Name of subsidiary | Principal activities | Country of incorporation and operation | Effective equity interest of the Group | |
|--|---|---|---|--------------------|
| | | | As at | As at |
| | | | 30 Sep 2022 | 31 Dec 2021 |
| | | | % | % |
| Albedo Corporation Pte. Ltd. | 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 |
| JCG-Beverly Pte. Ltd. | Investment holding and provision of management services | Singapore | 100 | 100 |
| Beverly Wilshire Medical Centre Sdn. Bhd. | 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 |
| Beverly Wilshire Medical Centre (JB) Sdn. Bhd. | Provision of aesthetic and cosmetic surgery and reconstructive surgery | Malaysia | 51 | 51 |
| Beverly Wilshire Tropicana City Mall Sdn. Bhd. | Provision of cosmetological and aesthetical related treatments | Malaysia | 51 | 51 |
| Beverly Wilshire Aesthetic Dental Centre Sdn. Bhd. | Provision of aesthetic dental care | Malaysia | 51 | 51 |

10. Investment in subsidiaries (cont'd)

| Name of subsidiary | Principal activities | Country of incorporation and operation | Effective equity interest of the Group | |
|--|---|--|--|-------------------|
| | | | As at 30 Sep 2022 | As at 31 Dec 2021 |
| | | | % | % |
| Beverly Wilshire Hair Transplant Sdn. Bhd. | Provision of hair transplant care | Malaysia | 51 | 51 |
| Beverly Dentistree Sdn. Bhd. | Provision of aesthetic dental care | Malaysia | 70 | 70 |
| Beverly Wilshire Medical Academy and Research Centre Sdn. Bhd. | Provision of aesthetic, cosmetic and plastic surgery, healthy aging therapy, health screening and wellness and medical research | Malaysia | 69 | 69 |
| Natasha Beverly Sdn. Bhd. | Provision of physiotherapy, spa, reflexology services and activities | Malaysia | 56 | 56 |
| Beverly Ipoh Sdn. Bhd. | Provision of aesthetic medicine and related activities | Malaysia | 70 | 70 |
| Beverly Wilshire Cosmetic Surgery Centre Sdn. Bhd. | Provision of cosmetic and plastic surgery treatment and services | Malaysia | 51 | 51 |
| Natasha Beverly Dental Sdn. Bhd. | Provision of aesthetic dental services | Malaysia | 39 | 39 |
| Natasha Beverly Mizu Sdn. Bhd. | Provision of healthy aging, regenerative medicine, health screening services and medical spa procedures | Malaysia | 39 | 39 |
| Natasha Beverly Aesthetics Sdn. Bhd. | Provision of aesthetic medicine and related activities | Malaysia | 31 | 31 |

11. Property, plant and equipment

During the nine-month financial period ended 30 September 2022, the Group acquired property, plant and equipment amounting to S\$207,000 (31 December 2021: S\$675,000).

12. Intangible assets

| | Group | |
|-----------------------------------|------------------------------|------------------------------|
| | As at 30 Sep 2022 | As at 31 Dec 2021 |
| | S\$'000 | S\$'000 |
| Goodwill arising on consolidation | 664 | 664 |
| Trademark/brand | 101 | 390 |
| | 765 | 1,054 |

13. Trade and other payables

| | Group | | Company | |
|--------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | As at 30 Sep 2022 | As at 31 Dec 2021 | As at 30 Sep 2022 | As at 31 Dec 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Trade payables | | | | |
| - Non-related parties | 335 | 240 | - | - |
| Other payables | | | | |
| - Subsidiaries | - | - | 32 | - |
| - Non-related parties ⁽¹⁾ | 2,004 | 1,025 | 1,298 | 438 |
| - Related parties | 378 | 209 | - | - |
| Advances received | 864 | 1,641 | - | - |
| Accruals for operating expenses | 1,070 | 1,356 | 367 | 807 |
| | 4,651 | 4,471 | 1,697 | 1,245 |

⁽¹⁾ Included in other payables to non-related parties for the Group and the Company as at 30 September 2022 are the proceeds from share subscription agreements signed in April 2022 amounting to S\$735,000 of which S\$525,000 has been converted to advances as per the Company's announcement dated 26 June 2022 (31 December 2021: Nil).

14. Borrowings

| | Group | | Company | |
|-----------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | As at 30 Sep 2022 | As at 31 Dec 2021 | As at 30 Sep 2022 | As at 31 Dec 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| (a) Lease liabilities | | | | |
| Current | 679 | 616 | 26 | 124 |
| Non-current | 1,815 | 1,643 | - | - |
| | 2,494 | 2,259 | 26 | 124 |
| (b) Borrowings | | | | |
| Current | | | | |
| Borrowings | | | | |
| - Loan 1 | - | - | 676 | 800 |
| - Loan 5 | 409 | 428 | - | - |
| Bank overdraft | 304 | - | - | - |
| Invoice financing | 142 | 552 | - | - |
| | 855 | 980 | 676 | 800 |
| Non-current | | | | |
| Borrowings | | | | |
| - Loan 2 | 300 | - | 300 | - |
| - Loan 3 | 300 | - | 300 | - |
| - Loan 4 | 105 | - | 105 | - |
| - Loan 5 | 236 | 299 | - | - |
| | 941 | 299 | 705 | - |
| Total | 1,796 | 1,279 | 1,381 | 800 |
| Total borrowings | 4,290 | 3,538 | 1,407 | 924 |

Borrowings (current) refers to amounts repayable in one year or less. Borrowings (non-current) refers to amounts repayable after one year.

- (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 Chairman & 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 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.
- (vi) 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.
- (vii) 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.

15. Share capital

| | Group and Company | | | |
|---|------------------------|------------------------|----------------------|----------------------|
| | As at 30 Sep 2022 | As at 31 Dec 2021 | As at 30 Sep 2022 | As at 31 Dec 2021 |
| No. of ordinary shares '000 | | | S\$'000 | S\$'000 |
| <u>Issued and paid up</u> | | | | |
| At beginning of financial period | 18,662,716 | 15,814,936 | 72,994 | 71,623 |
| Shares issued pursuant to: - | | | | |
| Share subscription | 630,000 ⁽¹⁾ | 735,000 ⁽³⁾ | 600 | 658 |
| Share issuance for part payment of employees' and directors' salaries | 388,696 ⁽²⁾ | - | 388 | - |
| Rights issue | - | 2,112,780 | - | 1,882 |
| Warrants adjustments | - | - | - | (1,169) |
| End of financial period | 19,681,412 | 18,662,716 | 73,982 | 72,994 |

⁽¹⁾ On 10 March 2022, the Company completed the allotment and issuance of 630,000,000 new ordinary shares at an issue price of S\$0.001 per share and 210,000,000 warrants pursuant to a deed poll executed by the Company on 10 March 2022, each warrant being convertible into one ordinary share at an exercise price of S\$0.001 per warrant.

⁽²⁾ On 4 April 2022, the Company completed the allotment and issuance of an aggregate of 388,696,000 ordinary shares at an issue price of S\$0.001 per share pursuant to the part payment of employees' and directors' salaries in shares in lieu of cash.

⁽³⁾ On 9 December 2021, the Company completed the allotment and issuance of 735,000,000 ordinary shares at an issue price of S\$0.001 per share and 245,000,000 warrants pursuant to a deed poll executed by the Company on 6 December 2021, each warrant being convertible into one ordinary share at an exercise price of S\$0.001 per warrant.

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

16. Events occurring after balance sheet date

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.

F. OTHER INFORMATION PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

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

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

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

Not applicable.

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

(a) updates on the efforts taken to resolve each outstanding audit issue; and

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

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

The latest audited financial statements of the Group for the financial year ended 31 December 2021 was subject to a disclaimer of opinion.

The board would like to provide an update on the efforts to resolve the outstanding audit issue as follows:

Opening balances and comparative figures - Assets, liabilities and results of the Group's aesthetic business in Taiwan

The audit opinion on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020, which formed the basis for the comparative figures presented in the audited consolidated financial statements for the financial year ended 31 December 2021, was disclaimed by the predecessor auditor, and one of the basis for 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 during the financial year ended 31 December 2021, 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, the Company's auditors 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 enter into the determination of the financial performance, changes in equity and cash flows for the financial year ended 31 December 2021, the Company's auditors 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 financial year ended 31 December 2021.

The Company's auditors' opinion on the audited financial statements of the Group for the financial year ended 31 December 2021 is also disclaimed because of the possible effects of this matter on the comparability of the figures for the financial year ended 31 December 2021 and the comparative figures.

Board's Responses

On 13 May 2020, the Company entered into a deed of settlement with Dr Chung Yih-Chen in relation to the termination of the joint venture in respect of iMyth Taiwan Limited ("iMyth Taiwan"). Accordingly, the net assets and liabilities of iMyth Taiwan were reclassified as disposal group held-for-sale in accordance with SFRS(I) 5 Non-current Asset Held for Sale and Discontinued Operations and the carrying amounts were written down to US\$1, being the consideration for the disposal. The results of iMyth Taiwan during the financial year ended 31 December 2020 was also presented as discontinued operations. Pursuant to the deed of settlement, China iMyth Company Pte. Ltd. had on 26 March 2021, completed the disposal of its 100% shareholding interest in iMyth Taiwan to Lin Hongtu, a nominee of Dr Chung Yih-Chen.

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

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

Except as disclosed in item 5 below, the accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements for the financial year ended 31 December 2021.

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

For the current reporting period, new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below.

Effective for the Group's annual periods beginning on or after 1 January 2022

- 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
- 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.

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

| | Group | | Company | |
|--|----------------------|----------------------|----------------------|----------------------|
| | As at 30 Sep 2022 | As at 31 Dec 2021 | As at 30 Sep 2022 | As at 31 Dec 2021 |
| Net asset value per ordinary share (cents) | -* | -* | -* | 0.01 |
| Net assets/(liabilities) (\$'000) | (913) | 47 | 926 | 1,314 |
| Number of ordinary shares used ('000) | 19,681,412 | 18,662,715 | 19,681,412 | 18,662,715 |

* Less than 0.01 cent

7. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends (a) based on the weighted average number of ordinary shares on issue and (b) on a fully diluted basis detailing any adjustments made to the earnings.**

| | Group | | | |
|---|----------------|-------------|----------------|-------------|
| | 3 months ended | | 9 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| Loss attributable to equity holders of the Company (\$'000) | 542 | 475 | 1,778 | 1,808 |
| Weighted average number of ordinary shares ('000) | 19,392,076 | 16,751,369 | 19,392,076 | 16,751,369 |
| Loss per share (basic and diluted) (cents) | (0.003) | (0.003) | (0.009) | (0.011) |

The basic and diluted loss per share is the same as there were no potentially dilutive ordinary shares in issue as at 30 September 2022 and 30 September 2021.

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

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

REVIEW OF GROUP'S FINANCIAL PERFORMANCE

Revenue

| | Group | | | |
|----------------------------------|--------------|-----------|----------|------|
| | 3Q FY2022 | 3Q FY2021 | Variance | |
| | S\$'000 | S\$'000 | S\$'000 | % |
| Aesthetic medical and healthcare | 2,991 | 2,154 | 837 | 39% |
| Trading and distribution | 127 | - | 127 | 100% |
| Total | 3,118 | 2,154 | 964 | 45% |

The Group registered a revenue of S\$3.118 million for the third quarter ended 30 September 2022 ("**3Q FY2022**"), an increase of S\$0.964 million, or 45%, compared with the S\$2.154 million recorded for the corresponding quarter ended 30 September 2021 ("**3Q FY2021**").

The increase in the Group's revenue was mainly attributed to the increase in contribution from its aesthetic medical and healthcare segment of S\$0.837 million, or 39%, as a result of increased marketing efforts such as the 10th Anniversary Promotions Premium Beauty Programme as well as contributions by new entities incorporated in year 2020 and 2021.

The newly incorporated entities in FY2020 and FY2021, namely Natasha Beverly Sdn Bhd, Beverly Ipoh Sdn Bhd, Natasha Beverly Dental Sdn Bhd, Natasha Beverly Aesthetics Sdn Bhd, Natasha Beverly Mizu Sdn Bhd and Beverly Dentistree Sdn Bhd contributed an aggregate of S\$0.313 million of revenue to the Group in 3Q FY2022, a 20% increase as compared to S\$0.261 million in 3Q FY2021. However, the loss for these newly incorporated entities stood at S\$0.100 million for 3Q FY2022 as compared to S\$0.098 million in 3Q FY2021.

Revenue from the Group's trading and distribution segment for 3Q FY2022 was S\$0.127 million, an increase of S\$0.127 million or 100% compared with 3Q FY2021.

Cost of sales increased by S\$0.480 million or 42% from S\$1.130 million in 3Q FY2021 to S\$1.610 million in 3Q FY2022, in tandem with the increase in revenue.

Gross profit increased by S\$0.484 million or 47% from S\$1.024 million in 3Q FY2021 to S\$1.508 million in 3Q FY2022, mainly due to the increase in gross profit from the aesthetic medical and healthcare segment.

Other income decreased by S\$0.103 million or 84% from S\$0.123 million in 3Q FY2021 to S\$0.020 million in 3Q FY2022, mainly due to the absence of gain from modification of lease and government grants received under the jobs support scheme.

Selling and distribution expenses increased by S\$0.099 million from S\$0.040 million in income in 3Q FY2021 to S\$0.059 million in expenses in 3Q FY2022, mainly due to the reversal of over accrued digital marketing expenses such as search engine marketing ("**SEM**") and search engine optimization ("**SEO**") incurred in 3Q FY2021.

Administrative expenses increased by S\$0.323 million or 20% from S\$1.634 million in 3Q FY2021 to S\$1.957 million in 3Q FY2022, in tandem with the increase in revenue. The administrative expenses incurred during 3Q FY2022 are mainly operational costs, including staff costs and professional fees.

Depreciation of property, plant and equipment decreased by S\$0.063 million or 14% from S\$0.443 million in 3Q FY2021 to S\$0.380 million in 3Q FY2022 mainly due to certain property, plant and equipment being fully depreciated in 3Q FY2022.

Finance expenses increased by S\$0.058 million or 98% from S\$0.059 million in 3Q FY2021 to S\$0.117 million in 3Q FY2022, mainly due to interest expenses incurred in relation to the UOB loan.

Income tax credit decreased by S\$0.011 million or 19% from S\$0.057 million in 3Q FY2021 to S\$0.046 million in 3Q FY2022, mainly due to income tax credit arising from deferred tax liabilities from fair value adjustments to intangible assets and property, plant and equipment in Beverly Wilshire Medical Centre Group.

REVIEW OF GROUP'S FINANCIAL POSITION

Current assets increased by 19%, from S\$2.244 million as at 31 December 2021 to S\$2.670 million as at 30 September 2022, mainly due to the increase in cash and cash equivalents and trade and other receivables.

Cash and cash equivalents increased by 44%, from S\$0.913 million as at 31 December 2021 to S\$1.318 million as at 30 September 2022, mainly due to the proceeds from the unsecured interest-bearing loans of S\$0.705 million.

Trade and other receivables increased by 4%, from S\$0.924 million as at 31 December 2021 to S\$0.962 million as at 30 September 2022, in tandem with the increase in revenue.

Non-current assets decreased by 10%, from S\$6.072 million as at 31 December 2021 to S\$5.484 million as at 30 September 2022, mainly due to a decrease in property, plant and equipment and intangible assets.

Property, plant and equipment decreased by 6%, from S\$5.018 million as at 31 December 2021 to S\$4.719 million as at 30 September 2022, mainly due to depreciation in 3Q FY2022 which was partially offset by additions of property, plant and equipment.

Intangible assets decreased by 27%, from S\$1.054 million as at 31 December 2021 to S\$0.765 million as at 30 September 2022, mainly due to amortisation of intangible assets in 9M FY2022.

Current liabilities increased by 2%, from S\$6.085 million as at 31 December 2021 to S\$6.200 million as at 30 September 2022. The increase was mainly due to an increase in (i) trade and other payables of S\$0.957 million, which was offset by a decrease in advances received from customers of S\$0.777 million; and (ii) lease liabilities of S\$0.063 million, which was partially offset by a decrease in borrowings of S\$0.125 million (which arose mainly due to a decrease in invoice financing of S\$0.410 million and the UOB loan of S\$0.019 million and partially offset by an increase in bank overdraft of S\$0.304 million during the financial period ended 30 September 2022).

Non-current liabilities increased by 31%, from S\$2.184 million as at 31 December 2021 to S\$2.867 million as at 30 September 2022 mainly due to an increase in borrowings of S\$0.642 million and lease liabilities of S\$0.172 million, offset by a decrease in deferred income tax liabilities of S\$0.131 million due to recognition of deferred tax credit in the income statement for the financial period ended 30 September 2022 arising from fair value adjustments to intangible assets and property, plant and equipment.

As at 30 September 2022, the Group's total liabilities exceeded its total assets by S\$0.913 million and the Group has a negative working capital of S\$3.530 million. Notwithstanding this, the Board (including the Audit Committee) and management are of the view that the Group is able to continue as a going concern. Please refer to item 2.3 of Section E (Notes to the condensed interim consolidated financial statements) of this announcement for further details.

REVIEW OF GROUP'S CASH FLOWS

Net cash from operating activities in 3Q FY2022 amounted to S\$0.257 million due to operating cashflows before movements in working capital of S\$0.088 million, adjusted for net cash inflows from working capital changes of S\$0.169 million.

Net cash inflows from working capital of S\$0.169 million was mainly due to a decrease in trade and other receivables of S\$0.088 million and a decrease in inventories of S\$0.080 million.

Net cash used in investing activities amounted to S\$0.063 million. This was mainly due to the purchase of medical equipment, computer hardware and software.

Net cash used in financing activities amounted to S\$0.152 million. This was mainly due to repayment of lease liabilities of S\$0.285 million and repayment of borrowings of S\$0.464 million and offset by proceeds from borrowings of S\$0.705 million.

Consequently, overall cash and cash equivalents increased by S\$0.520 million from S\$0.344 million in 3QFY2021 to S\$0.864 million in 3Q FY2022.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The following events are expected to positively impact the Group in the next reporting period and the next 12 months:

The Beverly Wilshire group of companies in Malaysia, which contributed about 96% of the Group's revenue during 9M 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 aesthetic medical and healthcare segment has increased by 28% to S\$7.670 million for the 9M FY2022 from S\$5.982 million in 9M FY2021.

The newly incorporated entities in FY2020 and FY2021, 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\$1.115 million of revenue to the Group for 9M FY2022, a 121% increase as compared to S\$0.504 million in 9M FY2021. These are organic growth entities and are expected to generate higher revenue within the next 12 months. The loss for these newly incorporated entities has narrowed from S\$0.315 million in 9M FY2021 to S\$0.221 million in 9M FY2022.

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 more than 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 9M FY2022 which recorded an increase in revenue of 28% to S\$7.670 million from S\$5.982 million in 9M FY2021. The loss for the Group's aesthetic medical and healthcare segment has narrowed from S\$0.715 million in 9M FY2021 to S\$0.429 million in 9M FY2022.

11. Dividend

If a decision regarding dividend has been made: -

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended for the current financial period.

(b)(i) Amount per share (cents)

Not applicable

(b)(ii) Previous corresponding period (cents)

Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the financial period ended 30 September 2022 in view of the Group's operational and financial cash needs.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for Interested Person Transactions.

Beverly Bangsar Sdn Bhd ("**Beverly Bangsar**") is a company incorporated in Malaysia and its principal business is the operation of an aesthetic clinic. Our Executive Chairman and CEO, Dato' Ng Tian Sang @ Ng Kek Chuan, and his two sons, Howard Ng How Er, Executive Director and Deputy CEO, and Alexander Ng Zhonglie together hold 62.3% shareholding in Beverly Bangsar. Howard Ng How Er and Alexander Ng Zhonglie are also directors of Beverly Bangsar. Accordingly, Beverly Bangsar is an interested person as defined under Chapter 9 of the Catalist Rules and all transactions entered between the Group and Beverly Bangsar constitute interested person transactions ("**IPTs**") under Chapter 9 of the Catalist Rules.

The Group entered into the following IPTs with Beverly Bangsar during the nine-month period from 1 January 2022 to 30 September 2022:

| | IPTs | | | Total |
|---|----------------------|--------------------------|--|------------|
| | Sales ⁽¹⁾ | Purchases ⁽²⁾ | Support Services Income ⁽³⁾ | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Beverly Wilshire Medical Centre Sdn. Bhd. (" BWKL ") | 62 | - | 9 | 71 |
| Natasha Beverly Sdn. Bhd. (" NBSB ") | - | - | 5 | 5 |
| Natasha Beverly Aesthetics Sdn. Bhd. (" NBASB ") | - | 37 | - | 37 |
| Total | 62 | 37 | 14 | 113 |

(1) Sales – BWKL had sold aesthetic medical products to Beverly Bangsar at cost price. The reason for the arrangement to resell to Beverly Bangsar at cost price is to capitalize on the cost savings when purchasing the products from external suppliers in bulk as well as better inventory management by purchasing from BWKL which has the existing stock on hand. BWKL is a 51% subsidiary of the Group.

(2) Purchases – Beverly Bangsar had sold aesthetic medical products to NBASB at cost price. The reason for the arrangement to repurchase from Beverly Bangsar at cost price is to capitalize on the cost savings when purchasing the products from external suppliers in bulk as well as better inventory management by purchasing from Beverly Bangsar which has the existing stock on hand. NBASB is a 31% subsidiary of the Group.

(3) Support Services Income – BWKL and NBSB had provided support services including accounting and marketing services to Beverly Bangsar as Beverly Bangsar does not have an in-house accounting or marketing team. The costs incurred are charged out at a mutually agreed fixed rate on a cost-plus basis. NBSB is a 56% subsidiary of the Group.

Twenty-three (23) sales transactions entered into between the Group and Beverly Bangsar for the financial period ended 30 September 2022 individually exceeded 3% of the Group's latest audited net tangible assets as at 31 December 2021 of S\$47,000 (the "**Group Audited NTA**"), which is above the relevant threshold under Rule 905(1) of the Catalyst Rules. Of these twenty-three (23) sales transactions, eleven (11) of the transactions individually exceeded 5% of the Group Audited NTA, which is above the relevant threshold under Rule 906(1) of the Catalyst Rules.

The aggregate value of all transactions (including transactions that are less than S\$100,000) entered into between the Group and Beverly Bangsar for the financial period ended 30 September 2022 amounted to approximately S\$113,000. This represents 240.4% of the Group Audited NTA as at 31 December 2021 of S\$47,000, which is above the relevant thresholds prescribed under Rule 905(2) and Rule 906(1)(b) of the Catalyst Rules.

Notwithstanding that each of the IPTs was less than S\$100,000 in value, as such IPTs were entered into with the same interested person during the same financial year and the value of all such IPTs, when aggregated, represents 240.4% of the Group Audited NTA, the Company, in consultation with its Sponsor, is of the view that such IPTs should be aggregated pursuant to Rule 906(4) of the Catalyst Rules. As the aggregate value of such IPTs far exceeds 5% of the Group Audited NTA, the Company will be convening an extraordinary general meeting to seek the ratification and approval of shareholders for such past IPTs.

14. Updates on use of proceeds

(i) March 2022 Subscriptions

| | Amount allocated S\$'000 | Percentage allocated % | Amount utilized as at the date of this announcement S\$'000 | Balance of net proceeds as at the date of this announcement S\$'000 |
|---|---|---------------------------------------|--|--|
| For the future expansion of the Group, including but not limited to mergers with and acquisitions of similar businesses | 60 | 10 | 38 | 22 |
| Reduction of debts and liabilities | 195 | 33 | 195 | - |
| Working capital purposes | 345 | 57 | 345 | - |
| Total | 600 | 100 | 578 | 22 |

The amount utilized for reduction of debts and liabilities was for repayment of outstanding payables for working capital amounting to S\$195,000 which comprised (i) partial FY2021 audit fees amounting to S\$125,000; and (ii) outstanding directors' fees for the financial year ended 31 December 2021 amounting to S\$70,000.

The amount utilized for working capital was S\$345,000 and was used to pay for (i) salaries amounting to S\$235,000; (ii) rental expenses amounting to S\$50,000; (iii) partial FY2021 audit fees amounting to S\$18,000 (iv) additional listing fees to SGX amounting to S\$9,000; and (v) other operating expenses amounting to S\$33,000.

The above utilisation is in accordance with the intended use of proceeds as stated in the Company's announcement dated 17 May 2022.

No further proceeds from the March 2022 Subscriptions have been raised as the warrants have not been exercised.

(ii) Proposed April 2022 Subscriptions converted to advances as announced on 26 June 2022

| | Amount allocated S\$'000 | Percentage allocated % | Amount utilized as at the date of this announcement S\$'000 | Balance of net proceeds as at the date of this announcement S\$'000 |
|---|---|---------------------------------------|--|--|
| For the future expansion of the Group, including but not limited to mergers with and acquisitions of similar businesses | 79 | 15 | - | 79 |
| Reduction of debts and liabilities | 79 | 15 | 79 | - |
| Working capital purposes | 367 | 70 | 367 | - |
| Total | 525 | 100 | 446 | 79 |

The amount utilized for reduction of debts and liabilities was S\$79,000 and was used to pay for (i) sponsor fee amounting to S\$43,000 and (ii) other operating expenses amounting to S\$36,000.

The amount utilized for working capital was S\$367,000 and was used to pay for (i) salaries amounting to S\$163,000; (ii) annual listing fees to SGX amounting to S\$28,000; (iii) sponsor fee amounting to S\$41,000; (iv) office rental amounting to S\$37,000 and (v) other operating expenses amounting to S\$98,000.

The above utilisation is in accordance with the intended use of proceeds as stated in the Company's announcement dated 17 May 2022.

15. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules.

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to the attention of the Board which may render the condensed interim consolidated financial statements for the nine-month financial period ended 30 September 2022 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

The Company confirms that it has procured all the required undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

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

14 November 2022