

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

**DISCLAIMER OF OPINION BY INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

The Board of Directors (the “**Board**” or “**Directors**”) of Beverly JCG Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company's independent auditor, UHY Lee Seng Chan & Co (the “**Auditors**”), has issued a disclaimer of opinion in respect of its Independent Auditor's Report for the consolidated financial statements of the Group for the financial year ended 31 December 2024 (the “**Auditor's 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.

As per the Auditor's disclaimer of opinion, the following circumstances give rise to material uncertainties on the Group's and the Company's abilities to continue as a going concern and whether the use of the going concern assumption in the preparation of the financial statements of the Group and the Company is appropriate for the current financial year.

As disclosed in Note 4 to the financial statements, the Group and the Company incurred a net loss of S\$5,808,000 (2023: S\$2,412,000) and S\$9,127,000 (Note 27) [2023: S\$1,555,000 (Note 27)] respectively. As at 31 December 2024, the Group's and Company's current liabilities exceeded their current assets by S\$5,843,000 (2023: S\$4,052,000) and S\$2,966,000 (2023: S\$1,412,000) respectively. In addition, the Group was in a capital deficiency position of \$5,342,000.

The Board of Directors believe that the use of the going concern assumption in preparing the consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2024 is appropriate after taking into consideration the following assumptions and measures:

- (i) Since 31 December 2024 and up to the date of this Directors' Statement, the Company has raised additional capital amounting to S\$900,000 through the proposed issuance of new ordinary shares upon the completion of share subscription agreements as announced on 10 January 2025 and 06 February 2025, respectively (Note 32).
- (ii) At an Extraordinary General Meeting (EGM) held on 24 March 2025, the shareholders have approved the capitalisation of debts pertaining to directors fees and salaries amounting to \$608,000. These amounts are no longer payable in cash and will not result in cash outflows within the next 12 months (Note 22 and 32).
- (iii) On 28 March 2025, the Company announced that it has entered into a share subscription agreement with a substantial shareholder of the Company. Pursuant to the terms of the Subscription Agreement, the Company proposes to raise gross proceeds of S\$500,000.
- (iv) 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 controlling 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.
- (v) All the subsidiaries in Malaysia 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 Directors' Statement.
- (vi) The financial performance of the aesthetic medical and healthcare segment in Malaysia is expected to continue to improve.

- (vii) Subject to obtaining the permission and necessary approvals of SGX-ST, the Company also intends to raise additional funds of more than S\$1 million via equity and debt instruments to augment the Group's cashflows for working capital. The Company will make further announcements relating to such fund-raising matters as appropriate from time to time.
- (viii) The Company is intending to make further acquisitions, which, if and when completed, are expected to generate additional revenue for the Group to support the Group's cashflow, and to ensure that the Group can continue to operate as a going concern.

The Group and the Company remain confident of raising additional funds required and will be able to generate sufficient cash flows from its operations in the next 18 months and therefore the Board of Directors consider it appropriate to prepare the financial statements on a going concern basis.

The Board (i) is of the opinion that sufficient information has been disclosed for the trading of the Company's securities to continue in an orderly manner; (ii) confirmed that all material disclosures have been provided for the trading of the Company's shares to continue; and (iii) confirmed that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

This announcement is to be read in conjunction with the attached Independent Auditor's Report and the Financial Statements.

A copy of the aforesaid Auditor's Report is annexed to this announcement for further information. The Auditor's Report and a complete set of the Audited Financial Statements will also be found in the company's Annual Report 2024 ("**FY2024 Annual Report**"), which will be released on SGXNET. Shareholders of the Company are advised to read this announcement in conjunction with the FY2024 Annual Report.

BY ORDER OF THE BOARD

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

14 April 2025

This document has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr. Jerry Chua (Tel: (65) 6241 6626), at 160 Robinson Road, #20-01/02, SBF Center, Singapore 068914.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BEVERLY JCG LTD.
FOR THE FINANCIAL YEAR ENDED 31 December 2024**

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 subsidiaries (the “**Group**”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position 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. Opening balances

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2023 were audited by another firm of auditors whose auditor's report dated 5 April 2024 expressed a disclaimer of opinion on those financial statements. The basis for disclaimer of opinion is as disclosed in Note 33 to the financial statements.

In view of the matters described in the Basis for Disclaimer of Opinion on the financial statements for the financial year ended 31 December 2023, we are unable to determine whether the opening balances as at 1 January 2024 are fairly stated.

Since the opening balances as at 1 January 2024 are entered into the determination of the financial position of the Group and of the Company as at 31 December 2024, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended 31 December 2024, we are unable to determine whether any adjustments might have been found necessary in respect of the Group's consolidated financial statements and the statement of financial position of the Company for the financial year ended 31 December 2024.

Our opinion on the current financial year's consolidated financial statements of the Group and the statement of financial position of the Company is also modified because of the possible effect of these matters on the comparability of the current year's figures and the corresponding figures.

2. Appropriateness of going concern assumption

As disclosed in Note 4 to the financial statements, the Group incurred a net loss of \$5,808,000 for the financial year ended 31 December 2024. As at 31 December 2024, the current liabilities of the Group and the Company exceeded their current assets by \$5,843,000 and \$2,966,000 respectively. In addition, the Group was in a capital deficiency position of \$5,342,000 as at 31 December 2024.

These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's abilities to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF BEVERLY JCG LTD.
FOR THE FINANCIAL YEAR ENDED 31 December 2024**

2. Appropriateness of going concern assumption (Cont'd)

Notwithstanding the above, the Board of Directors of the Company believes that the use of going concern assumption is appropriate after taking into consideration of the factors as disclosed in Note 4 to the financial statements.

The ability of the Group and 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 outcome of the actions and measures undertaken as disclosed in Note 4 to the financial statements, which are inherently uncertain. Accordingly, we are unable to obtain sufficient appropriate audit evidence to enable us to form an opinion as to whether the going concern basis of presentation of the accompanying consolidated financial statements of the Group and the statement of financial position of 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 statements of financial position. 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.

3. Impairment assessment of property, plant and equipment, intangible assets and investments in subsidiaries

As disclosed in Notes 18, 21 and 17 to the financial statements, the carrying amounts of the Group's property, plant and equipment and intangible assets and the carrying amount of the Company's investments in subsidiaries ("**non-current assets**") were \$600,000, \$626,000 and \$3,607,000 (net of impairment losses of \$1,902,000, \$1,344,000 and \$7,228,000 respectively) respectively as at 31 December 2024.

Management has made certain impairments on these non-current assets based on discounted cash flow projections (value-in-use) to assess the recoverable amount of these non-current assets. However, we are unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the assumptions used by management in preparing the discounted cash flow projections and the use of the going concern assumption in the preparation of these financial statements. In determining the recoverable amount of these non-current assets, management also did not consider the higher of fair value less costs of disposal and value in use, as required by SFRS(I) 1-36. In addition, we are also unable to determine the impact of the material uncertainties over the going concern of the Group and the Company on the recoverable amounts of these non-current assets as at 31 December 2024.

Consequently, we are unable to obtain sufficient appropriate audit evidence to determine the appropriateness of the quantum of impairment loss made on these non-current assets during the financial year and whether any other adjustments might be found necessary in respect of these financial statements for the financial year ended 31 December 2024.

Other matter

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2023 were audited by another firm of auditors whose report dated 5 April 2024 expressed a disclaimer of opinion on those financial statements as disclosed in Note 33 to the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF BEVERLY JCG LTD.
FOR THE FINANCIAL YEAR ENDED 31 December 2024

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967 (the "**Act**") and the Singapore Financial Reporting Standards (International) ("**SFRS(I)**"), and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position of the Company in accordance with Singapore Standards on 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.

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

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiaries 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 Mr. Lee Sen Choon.

UHY Lee Seng Chan & Co

Public Accountants and
Chartered Accountants
Singapore

14 April 2025
