

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

**RESPONSES TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON THE
COMPANY'S ANNOUNCEMENT RELEASED ON 25 AUGUST 2021**

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Beverly JCG Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to respond to queries received on 26 August 2021 from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to the Company’s announcement released on 25 August 2021 relating to the entry into the amendment and restatement definitive agreement between Natasha Beverly Sdn. Bhd. (“**Natasha Beverly**”), Beverly Wilshire Aesthetic Dental Centre Sdn. Bhd. (“**BW Aesthetic Dental**”) and Arlena Philip Lee (“**Dr. Arlena**”) for the joint venture company, Natasha Beverly Dental Sdn. Bhd. (“**Natasha Beverly Dental**”) (the “**Previous Announcement**”).

Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the same meanings and construction as ascribed to them in the Previous Announcement.

2. SGX-ST QUERIES

SGX-ST Query 1:

What is Dr Ryan’s role in the Group currently and going forward?

Company’s Response

Dr. Ryan is a visiting dental consultant (not an employee) specializing in orthodontics at BW Aesthetic Dental, which is currently in operation. Going forward, if he takes up the 5% stake in Natasha Beverly Dental, he will need to sign a five-year employment contract with Natasha Beverly Dental.

SGX-ST Query 2:

Please clarify if there are current operations in NBDSB and whether the aesthetic dental services have started contributing to the Group’s operating revenue.

Company’s Response

As at the date of this announcement, the Group has three (3) entities which are providing or intended to provide aesthetics dental services, namely:

- (a) Natasha Beverly Dental;

- (b) Beverly Dentistree Sdn. Bhd. ("**Beverly Dentistree**"); and
- (c) BW Aesthetic Dental.

Natasha Beverly Dental

In December 2020, the Group applied for a private dental clinic license with Dr. Arlena as the Person-in-Charge ("**PIC**"). At that time, Dr. Arlena was a visiting dental consultant with the Group and provided prosthodontist and other general dental services.

In April 2021, Natasha Beverly Dental was formed, being a joint venture between Natasha Beverly, Dr. Arlena, Dr. Ryan and BW Aesthetic Dental, for the purposes of carrying out the dental services once the private dental clinic license is obtained. The Group had submitted the final documents in respect of the license application to the Private Medical Practice Control Section, which is the Medical Practice Division under the Malaysia Ministry of Health in July 2021 and expects the license to be issued within the next two (2) to three (3) months. As at the date of this announcement, Natasha Beverly Dental has not commenced operations.

Beverly Dentistree

In April 2021, the Group had signed a definitive agreement with Dr. Arlena and Klinik Pergigian Dentistree ("**KPD**"), a sole-proprietor clinic owned by Dr. Arlena, to form Beverly Dentistree as a joint venture between the Group and Dr. Arlena. In accordance with the terms of the definitive agreement, Beverly Dentistree purchased the assets and equipment of KPD from Dr. Arlena and is operating in the existing premise of KPD. Please refer to the announcement dated 5 May 2021 relating to the entry into the foregoing definitive agreement as well as information on KPD and Dr. Arlena.

Dr. Arlena is the PIC at Beverly Dentistree. The Group is in the process of applying for the transfer of Dr. Arlena's license under her sole proprietorship, KPD, to Beverly Dentistree. The transfer is expected to be completed within the next two (2) to three (3) months. Beverly Dentistree has been contributing revenue to the Group since the commencement of business on 1 May 2021.

BW Aesthetic Dental

BW Aesthetic Dental has been contributing revenue to the Group since the Group acquired a 51% stake in November 2019 as part of the Group's acquisition of the Beverly Wilshire Group. Please refer to the Company's circular dated 2 August 2019 in relation to the acquisition of the Beverly Wilshire Group.

SGX-ST Query 3:

Please recompute the ratios under Catalist Rule 1006, assuming the Aesthetic JVCo and the Dental JVCo are aggregated based on the past few announcements, in view that there are overlaps in the parties involved in the transactions.

Company's Response

Based on the latest announced consolidated financial statements of the Group for the financial period ended 30 June 2021 ("**2Q2021**"), the relative figures by aggregating both Natasha Beverly

Aesthetics Sdn. Bhd. (“**Natasha Beverly Aesthetic**”) and Natasha Beverly Dental as computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006 Bases of calculation	Relative figure %
(a) The net asset value of the assets to be disposed of, as compared with the Group’s net asset value	Not applicable ⁽¹⁾
(b) The net profits attributable to the assets acquired, compared with the Group’s net loss	Not applicable ⁽²⁾
(c)(i) The aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	0.47% ⁽³⁾⁽ⁱ⁾
(c)(ii) The aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	0.83% ⁽³⁾⁽ⁱⁱ⁾
(d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	Not applicable ⁽⁵⁾

Notes:

(1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.

(2) Not applicable as Natasha Beverly Aesthetic and Natasha Beverly Dental have only been recently incorporated.

(3)(i) Based on the initial capital contribution of RM125,000 (or equivalent to approximately S\$42,000) for Natasha Beverly Aesthetic and the initial capital contribution of RM321,000 (or equivalent to approximately S\$107,000) for Natasha Beverly Dental compared to the Company’s market capitalisation of approximately S\$31,630,000. The market capitalisation of the Company was computed based on its existing share capital of 15,814,936,164 Shares (excluding treasury shares) and the VWAP of S\$0.002 per Share on 11 February 2021 (being the last market day on which the Shares were traded preceding the date of the definitive agreement for Natasha Beverly Aesthetic).

(3)(ii) Based on the initial capital contribution of RM125,000 (or equivalent to approximately S\$42,000) for Natasha Beverly Aesthetic and the initial capital contribution of RM321,000 (or equivalent to approximately S\$107,000) for Natasha Beverly Dental compared to the Company’s market capitalisation of approximately S\$17,928,000. The market capitalisation of the Company was computed based on its existing share capital of 17,927,715,589 Shares (excluding treasury shares) and the VWAP of S\$0.001 per Share on 24 August 2021 (being the last market day on which the Shares were traded preceding the date of the amendment and restatement definitive agreement for Natasha Beverly Dental).

(4) Not applicable as there are no equity securities issued as consideration for Natasha Beverly Aesthetic and Natasha Beverly Dental shares.

(5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As none of the relative figures computed on the bases pursuant to Rule 1006 of the Catalist Rules exceeds 5%, the transactions on an aggregated basis constitute non-discloseable transactions under Chapter 10 of the Catalist Rules.

SGX-ST Query 4:

In view of the Amended Agreement, please provide an overview of the current Group structure and business segments.

Company's Response

The Group comprise the Company, three (3) subsidiaries in Singapore and thirteen (13) subsidiaries/associated companies in Malaysia as shown in the table below:

<u>Entity</u>	<u>Country of business/Incorporation</u>	<u>Business Segment</u>	<u>Sub-Segment</u>	<u>Proportion of ordinary shares held by the Group</u>
Beverly JCG Ltd	Singapore	Investment and Others	-	-
JCG-Beverly Pte. Ltd.	Singapore	Investment and Others	-	100%
Albedo Corporation Pte. Ltd.	Singapore	Trading and distribution	-	100%
Brand X Lab Pte. Ltd. (classified as disposal group held-for-sale)	Singapore	Event organisation and management consultancy	-	100%
Beverly Wilshire Medical Centre Sdn. Bhd	Malaysia	Aesthetic medical and healthcare	Cosmetic surgery Aesthetics Wellness/Anti-Aging Others	51%
Beverly Wilshire Medical Centre (JB) Sdn. Bhd.	Malaysia	Aesthetic medical and healthcare	Cosmetic surgery Aesthetics Wellness/Anti-Aging Others	51%
Beverly Wilshire Tropicana City Mall Sdn. Bhd	Malaysia	Aesthetic medical and healthcare	Aesthetics Wellness/Anti-Aging Others	51%
Beverly Wilshire Medical Academy and Research Centre Sdn. Bhd.	Malaysia	Aesthetic medical and healthcare	Wellness/Anti-Aging Others	69%
Beverly Ipoh Sdn. Bhd.	Malaysia	Aesthetic medical and healthcare	Aesthetics Others	70%
Natasha Beverly Aesthetics Sdn. Bhd.	Malaysia	Aesthetic medical and healthcare	Aesthetics Others	31%

Beverly Wilshire Aesthetic Dental Centre Sdn. Bhd.	Malaysia	Aesthetic medical and healthcare	Dental	51%
Beverly Dentistree Sdn. Bhd.	Malaysia	Aesthetic medical and healthcare	Dental	70%
Natasha Beverly Dental Sdn. Bhd.	Malaysia	Aesthetic medical and healthcare	Dental	39%
Natasha Beverly Sdn. Bhd.	Malaysia	Aesthetic medical and healthcare	Others	56%
Beverly Wilshire Hair Transplant Sdn. Bhd.	Malaysia	Aesthetic medical and healthcare	Dormant	51%
Beverly Wilshire Cosmetic Surgery Centre Sdn. Bhd.	Malaysia	Aesthetic medical and healthcare	Dormant	51%
DS Beverly Sdn. Bhd.	Malaysia	Aesthetic medical and healthcare	Dormant	39%

The Group is organised into four reportable segments as described below, which are the Group's strategic business units. 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. Please refer to the table below for a breakdown on the sub-segments.
- Trading and distribution** : Trading and distribution of steel raw materials, consumables, instruments and semi-finished products for steel mills, iron and steel foundries and aluminum smelters in the Asia-Pacific region and provision of ancillary services.
- Event organisation and management consultancy¹** : Provision of event organisation and management consultancy business. This segment has been classified as discontinued operations.
- Investment and others** : Business of investment holding, provision of management services and provision of marketing, distribution and related services.

Note:

1. Please refer to the announcement dated 17 February 2021 relating to the entry into the unwinding and settlement agreement in relation to the acquisition of Brand X Lab Pte Ltd for further details.

The Group's aesthetic medical and healthcare segment can be further categorized in the following sub-segments and the revenue contribution from each sub-segment for the financial period ended 30 June 2021 are as follows:

Sub-Segment	6 months period ended 30 June 2021 (%)
Cosmetic Surgery	53%

Aesthetics	22%
Dental	8%
Wellness/Anti-Aging	7%
Others (comprising sale of products, medicine and consumables, hair transplant services, medispa services, reflexology services, physiotherapy services, chiropractor services and others)	10%
Total	100%

The Group's core business, the aesthetic medical and healthcare segment, contributed approximately 97% to the Group's revenue for the financial period ended 30 June 2021. The trading and distribution segment contributed approximately 3% to the Group's revenue for the financial period ended 30 June 2021

SGX-ST Query 5:

On 15 March 2020, NBSB signed a Term Sheet with Spinalive Sdn. Bhd. to establish a joint venture, Spinalive Beverly Sdn. Bhd., for the purposes of providing services of 'pain management', including but not limited to chiropractic and physiotherapy services. However, the Term Sheet was terminated on 30 April 2020 due to the current pandemic situation caused by COVID-19 lasting longer than anticipated.

What are the Board's plans for the Company going forward? Will the Company be entering into the business segment of chiropractic and physiotherapy services?

Company's Response

With the expansion of the Group's aesthetic medical and healthcare and dental segments from FY2021, the Group expects the contribution of revenue from the aesthetics and dental sub-segments to increase going forward. The Board will continue to look for opportunities to expand its core businesses in the healthcare and beauty industry, and will provide updates to shareholders in due course.

The Group currently engages two (2) visiting chiropractors to provide chiropractic services at the Natasha Beverly medical centre on an on-call basis. The contribution to revenue by chiropractic services for the 6 months ended 30 June 2021 is approximately 0.09% of total revenue and is classified under the sub-segment titled "Others". As at the date of this announcement, the Group does not employ any full-time chiropractors or physiotherapists to provide chiropractic or physiotherapy services. The Group may consider entering into the business segment of the chiropractic and physiotherapy services in the future depending on the market demand for such services.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

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

30 August 2021

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

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

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