



BEVERLY JCG LTD
(Company Registration Number: 200505118M)

FOR IMMEDIATE RELEASE – Voluntary Business Updates

Beverly JCG Primed for Strategic Acquisitions and Expansion Plans for Future Growth

- **The Group’s proposed debt capitalization plan releases S\$1.95 million in debt, reduces financing costs, and improves financial stability**
- **The Group aims to expand organically and through targeted acquisitions, including cosmetic dental services to broaden service offering**

SINGAPORE, 6 June, 2023 – Beverly JCG Ltd. (SGX: VFP) (“Beverly JCG” or the “Company”, and together with its subsidiaries, the “Group”), a reputable brand in Malaysia with multi award-winning integrated beauty and wellness medical centres, specialising in cosmetic surgery, aesthetic medicine, dental aesthetics, hair restoration and a range of healthy aging and wellness services, is pleased to provide an update on its recent developments.

Business Update

The Group has proposed the acquisitions of the remaining shareholdings of Beverly Wilshire Group of Companies (“**BW Entities**”)¹, and 100% of Beverly Bangsar Sdn. Bhd. (“**BBSB**”), as well as the debt capitalization and issuance of share capital.

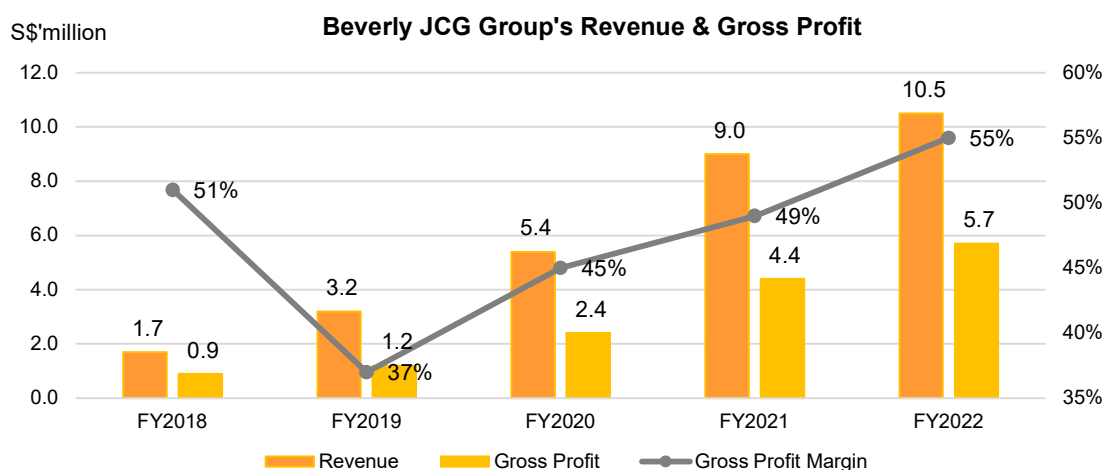
¹ The BW Entities consist of Beverly Wilshire Medical Centre Sdn. Bhd. (“**BWKL**”), Beverly Wilshire Medical Centre (JB) Sdn. Bhd. (“**BWJB**”), Beverly Wilshire Aesthetic Dental Centre Sdn. Bhd. (“**BWAD**”), Beverly Wilshire Medical Academy and Research Centre Sdn. Bhd. (“**BWARC**”) and Beverly Wilshire Tropicana City Mall Sdn. Bhd. (“**BWTCM**”) (collectively, the “**BW Entities**”)



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With the aim of becoming a regional player in the healthcare industry, the Group's strategic plans involve expanding its core aesthetics medical and healthcare business through the acquisition of BW Entities. This move aligns with the Group's objective of enhancing long-term shareholder value. By acquiring 49% of the BW Entities and eliminating non-controlling interest post-acquisition, the Group expects positive impacts on future profits, dividends, and overall financial stability. Additionally, gaining 100% legal right over the assets ensures alignment among major controlling shareholders, the Dato' Ng family, doctors, and investors.

Furthermore, the Group's strategic move to acquire BBSB is aimed at expanding its core business and portfolio in a prudent manner, ultimately creating long-term value for shareholders. Recognising the highly synergistic and complementary nature of BBSB's business and commercial activities with its existing aesthetics medical and healthcare business, the Group anticipates a growing demand for high-end medical services and aesthetics in line with increasing affluence in Malaysia and Southeast Asia.

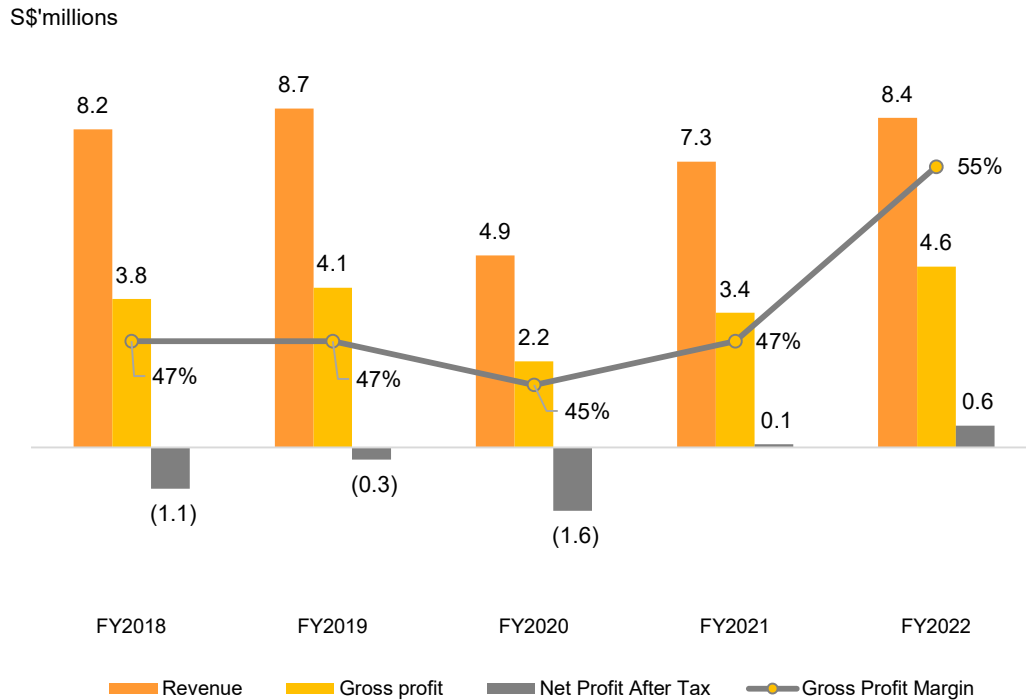


**Figures may differ as it is rounded to 1 decimal place.*



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BW Entities Performance



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***Source: <https://www.oanda.com/> – Converted at SGD 1.00 to RM 3.33, 15 March 2023.*

With the successful acquisitions of BW Entities and BBSB, the Group will acquire a significant portion of a profitable aesthetics and healthcare business, generating positive cashflow from operations.

In addition to the acquisitions, Beverly JCG has put forth a proposal regarding debt capitalisation and the issuance of conversion shares as part of its comprehensive strategy to effectively manage its debt and strengthen its financial position.

The proposal entails the conversion of S\$1.95 million of debts into shares at a price of S\$0.0011 per share, which represents a 10% premium over the current market rate. By implementing this capitalisation plan, the Group will release S\$1.95 million in debt from its financial position, reduce financing costs, and improve its overall financial stability.



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Furthermore, the infusion of new share capital through the conversion process will have a positive impact on the Group's equity, enhancing leverage ratios and strengthening its financial position. This strategic move allows the Group to free up capacity on its balance sheets for potential M&A activities with other healthcare-related businesses.

The Group intends to leverage these M&A opportunities to expand its range of services or provide complementary offerings within the healthcare industry. The acquisition strategies may involve debt financing or share swaps to acquire stakes in targeted businesses, aligning with the Group's growth objectives.

Consolidated Financial Effects of the Proposed Initiatives:

The resulting financial effect of the above propositions will improve the Group's net asset value ("**NAV**") from a negative S\$1.33 million to a positive NAV of S\$2.30 million, increasing the NAV per share from a negative 0.007 Singapore cents to a positive NAV per share 0.008 Singapore cents. This will also bring along a positive change in the Group's net tangible assets ("**NTA**"), increasing from a negative S\$2.00 million to a positive S\$0.26 million, representing an NTA per share of 0.001 Singapore cents.

The most significant change would be the reduction of the Group's liabilities. Through the proposed acquisitions and debt capitalization, the Group will eliminate S\$1.95 million in liabilities, including S\$0.87 million of the Group's debt. The Group's debt will reduce from S\$1.01 million to S\$0.14 million. Shareholders' equity will also improve to a positive S\$2.36 million, flipping its gearing ratio² from a negative 0.9 to a positive 0.1. The proposed debt capitalization will then free up the company's borrowings and provides capacity for the Group to use debt financing for future merger and acquisitions.

Lastly, with the effect of the proposed initiatives, the Ng Family will emerge as controlling shareholders. The Ng Family brings their experience in the core healthcare and wellness business to the Group and is committed to increasing long-term stakeholder value.

² Gearing Ratio = Total Net Borrowings / Shareholder's Equity



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Outlook

The Group is optimistic about the growth prospects in the aesthetics and cosmetic medicine industry, supported by a projected Compound Annual Growth Rate (“CAGR”) of 14.7%, growing from US\$127.1 billion in 2022 to US\$332.1 billion in 2030³. To capitalize on this favourable market outlook, the Group is focused on expanding its business both organically and through targeted acquisitions. This includes the planned growth of the BW Entities and the exploration of opportunities to acquire stakes in other aesthetics medicine companies.

In line with its growth strategy, the Group aims to diversify and enhance its suite of services by incorporating cosmetic dental services. This strategic move will broaden the Group's service offering, catering to a wider range of customer needs and strengthening its competitive position. Additionally, the Group plans to expand its business into the Singapore market, tapping into new opportunities and increasing its regional presence.

Recognising the value of attracting top talent, the Group is actively headhunting aesthetics doctors with solid reputation and strong client base. By adding these skilled professionals to the BW Group of Companies, the Group aims to augment its medical capabilities and deliver high-quality services that meet the evolving demands of its customers.

Deputy Chairman and CEO of Beverly JCG, Dato’ Francis Ng commented, “***The Board of Directors remains ambitious in our plans to grow Beverly JCG and BW Group of Companies organically and through M&A activities. Our plans to acquire the remaining 49% stake in Beverly Wilshire Group of Companies and the full ownership of Beverly Bangsar Sdn. Bhd. is only the first of many acquisitions we plan for the coming years. By capitalizing the Group’s debt obligations, we are able to free up the Group’s capacity for debt financing as another avenue for merger and acquisition activities. The Group is actively exploring mergers opportunities with cosmetic dental service providers and pursuing profitable partnerships with Singapore-based aesthetics and healthcare businesses to strengthen our regional presence.***”

³ <https://www.grandviewresearch.com/industry-analysis/medical-aesthetics-market>



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The proposed debt capitalization and share conversion will create additional financial capacity for the Group to pursue various merger and acquisition strategies. While focusing on expanding into new markets and diversifying its suites of services, the Group is also actively implementing cost reduction measures to enhance profitability and deliver sustainable value to shareholders.

#End#

About Beverly JCG

Formerly known as JCG Investment Holdings Ltd, the Company was incorporated in Singapore on 18 April 2005. In November 2019, the Group acquired 51% of the Beverly Wilshire Medical Centre Group of Companies, a well-known brand in Malaysia with multi award-winning integrated beauty and wellness medical centres, specialising in aesthetic medicine, plastic surgery, dental aesthetics, hair restoration and a range of healthy aging and wellness services.

BW operates two Malaysia Ministry of Health ("**MOH**") licensed medical centres and six licensed clinics across Kuala Lumpur, Klang Valley, Johor Bahru and Ipoh in Malaysia.

To further undergird the "Beverly" branding, the Group changed its name to "Beverly JCG Ltd." with effect from 2 July 2020. The new name, "Beverly JCG Ltd.", is an excellent platform combining the Company's status as a company listed on the SGX-ST and capitalizing on Beverly Wilshire's established brand, to propel the "Beverly" brand and advance the Group's strategy to be a leading regional beauty and healthcare player and household name in the region.

Investors Relations and Media Contact:

Mr Kenneth Wong

Mobile +65 9817 6645

Email kenneth@gem-comm.com



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Ms Ivy Leow

Mobile +65 9760 6514

Email ivy@gem-comm.com

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The details of the contact person for the Sponsor are:

Name: Mr Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited)

Address: 138 Robinson Road, #13-02 Oxley Tower, Singapore 068906

Tel: (65) 6241 6626