

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

---

**RESPONSE TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES TO THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ("FY2023")**

---

The board of directors (the "**Board**" or "**Directors**") of Beverly JCG Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 25 April 2024 (each, an "**SGX Query**") with reference to the Company's announcement dated 12 April 2024 on the Company's Annual Report and Related Documents (the "**Annual Report**") for the year ended 31 December 2023 ("**FY2023**") as follows:

**SGX Query (1)**

*As disclosed on page 49 of the Annual Report, the Company has appointed BDO Advisory Pte Ltd ("**BDO**") as its internal auditor since the financial year ended 31 December 2022. However, there was no internal audit work performed in FY2023.*

*It is also disclosed on page 49 of the Annual Report that "the Group has, based on the internal audit performed for FY2023, made improvements to the internal controls and systems to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably protected, proper accounting records are maintained and financial information used within the business and for publication, are reasonable and accurate."*

- (i) *Please explain the discrepancy in the 2 paragraphs extracted from page 49 of the Annual Report, in relation to whether internal audit work was performed in FY2023.*
- (ii) *Please provide the Audit Committee's rationale and detailed bases for not engaging BDO (or other suitable professional firm) to perform any internal audit work in FY2023.*
- (iii) *The terms of reference of the Audit Committee include, amongst others, reviewing the adequacy, effectiveness, independence, scope and results of the internal audit function. It is also disclosed that BDO reviews the Group's internal controls based on an annual internal audit plan that covers applicable financial, operational, compliance and IT controls.*
  - (a) *Was BDO engaged in FY2023?*
  - (b) *What was the internal audit plan for FY2023?*
  - (c) *Given that no internal audit work was performed in FY2023, how did the Audit Committee opine on the adequacy and effectiveness of the Group's internal controls, addressing financial, operational, compliance, information technology risks and risk management systems?*
- (iv) *It was disclosed that the Group made improvements to the internal controls and systems. Please provide details on:*

- (a) *how such weaknesses in the internal controls and systems were identified;*
- (b) *what improvements were made; and*
- (c) *how is the Audit Committee satisfied that the improvements adequately and effectively address the weaknesses identified?*

**Company's response to SGX Query (1)**

- (i) There was a typo error in the paragraph. It should be FY2022. There was no internal audit work performed by BDO in FY2023.
- (ii) Beverly Wilshire Medical Centre Sdn Bhd ("**BWMCKL**") and Beverly Wilshire Medical Centre (JB) Sdn Bhd ("**BWMCJB**"), our two main medical centres in Malaysia contribute around 70% of total Group revenue for which we have conducted internal audits by BDO in FY2020 and FY2021. In FY2022, we conducted internal audit for Beverly JCG Ltd. The AC's plan is to conduct another internal audit by BDO for BWMCKL in FY2024 and BWMCJB in FY2025. The Audit Committee has determined that the above approach will be sufficient to assess internal control weakness of the Group.
- (iii)
  - (a) Yes.
  - (b) The Audit Committee will conduct the next internal audit for FY2024. There was no internal audit plan for FY2023, as the Audit Committee has determined that there are no material internal control weaknesses based on FY2022 report.
  - (c) The external auditors have not highlighted any internal control issues in their FY2022 audit during the closure meeting with the AC in February 2023. The AC has also been regularly updated by the senior management of the Group and are satisfied on the adequacy and effectiveness of the Group's internal controls.
- (iv)
  - (a) The weaknesses were identified from the internal audits performed and external auditors. In addition, the Audit Committee (i) has conducted regular meetings with senior management of the Group to identify any potential internal control weaknesses, and (ii) follow-up review to ensure recommended policies and procedures are in place to address such internal control weaknesses.
  - (b) The Group acted on the findings from the internal auditor (such as improving the documentation process and policy for usage of proceeds from private placements and rights issues), and implemented their recommendations which are put in place by the senior management.
  - (c) The AC and management are consistently reviewing the effectiveness of internal controls system of the Group (per (iv)(a)) and corrective actions are put in place if there are weaknesses in the internal control. Based on the regular meetings that Audit Committee have conducted, the committee is satisfied that the improvements adequately and effectively address the weaknesses identified.

## **SGX Query (2)**

*We note that the Company is proposing to appoint UHY Lee Seng Chan & Co. (“UHYLSC”) as auditors of the Company for the financial year ending 31 December 2024 in place of the retiring auditors, RT LLP (“RT”).*

- (a) Please provide the Audit Committee’s assessment on UHYLSC’s ability to meet the audit requirements of the Group.*
- (b) Please detail how UHYLSC intends to undertake the audit given that the bulk of the Company’s subsidiaries and operations are based in Malaysia.*

## **Company’s response to SGX Query (2)**

- (a) The Audit Committee (“**AC**”) has assessed and is satisfied that UHY Lee Seng Chan & Co (“**UHYLSC**”) has the ability to meet the audit requirements of the Group for the financial year ending 31 December 2024 in place of retiring auditors, RT LLP (“**RT**”) due to the following reasons:

1. UHYLSC is one of the top 14 audit firms in Singapore (According to the Singapore Business Review published in October 2019) and currently has over 120 strong partners and professional staff in Singapore (i.e. excluding headcounts in network firm) who are skilled and experienced. UHYLSC has grown over the past five (5) decades to become a leading Chartered Accountant firm offering diversified business advisory services in the region with over 1,000 clients, and their clientele base also includes SGX and Bursa listed clients.
2. The AC has reviewed UHYLSC Audit Quality Indicators Disclosure Framework issued by ACRA as well as the criteria for the evaluation and selection of external auditors contained in the Guidebook for Audit Committees in Singapore, including various factors such as the adequacy of resources and experiences of the audit firm to be selected and the audit engagement partner to be assigned to the audit, the audit firm’s other engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff to be assigned.

Apart from 1 independent quality review partner, the AC noted that the engagement team assigned by UHYLSC and the Company will comprise 2 audit partners, 2 audit director/manager and 3 audit professionals.

3. UHYLSC has assigned Mr Lee Sen Choon (“**Mr Lee**”) as the Company’s audit engagement partner, if they are appointed.

Mr Lee has more than 40 years of audit experience in Singapore and has served a wide range of clients including statutory boards, listed companies, and multinational companies, and has extensive experience in rate-regulated industries. Mr Lee graduated with a professional qualification from the Chartered Institute of Management Accountants, UK and holds a Post Graduate Diploma in Management Studies, UK. Mr Lee is also a practising member of the Institute of Singapore Chartered Accountants and is the engagement partner of various SGX listed clients.

4. The AC has enquired on whether the audit engagement partner has been subject to the Practice Monitoring Programme review by ACRA. In this regard, the AC has noted that the audit engagement partner, Mr Lee, was subjected to a Practice Monitoring Programme Review (“PMP Review”) carried out by ACRA in 2012 and 2015 and he had passed both the practice reviews. The AC also noted that Mr Lee has never served in any executive capacity in the Group nor is he considered to be an affiliate.
5. UHYLSC is an independent member firm of UHY International (“UHY”), an international network of accounting and consulting firms, which is ranked 20th among the largest international audit, accounting, tax and consultancy networks by fee income (source: International Accounting Bulletin, March 2023). As at March 2023, it has over 9,411 strong partners and professional staff who are skilled and experienced in 343 major business centres across 100 countries. For details, please visit <https://www.uhy.com/about-us/about-uhy/>.
6. UHY which was established in 1986 and based in London, is a member of the Forum of Firms, an association of international networks of accounting firms. The Forum's goal is to promote consistent and high-quality standards of cross-border financial reporting and auditing practices worldwide, and the adoption of international auditing standards. For additional information on the Forum of Firms, please visit <https://www.ifac.org/who-we-are/committees/transnational-auditors-committee-forum-firms>.
7. For the Malaysia subsidiaries, these will be audited by UHY Malaysia, a member firm of UHY International. The AC noted that UHY Malaysia has been working closely with UHYLSC on various audit assignments including assignments where UHYLSC is the Group auditor of SGX listed clients and their subsidiaries incorporated in Malaysia are audited by the component auditor, UHY Malaysia.
8. The AC has assessed UHY Malaysia and noted the following:
  - UHY Malaysia is currently ranked 9th largest accounting firm in Malaysia. The ranking is based on the current only 9 audit firms in Malaysia that have prepared annual transparency report which is mandatory for audit firms that are registered with the Securities Commission Malaysia (SC)'s Audit Oversight Board (“AOB”). The 2 criteria for the submission of transparency report are: i) audit firms with more than 50 public interest entities (“PIE”) audit client and ii) the total market capitalisation of the audit firms PIE clients amounts to above RM 10 billion. For details, please visit <https://www.sc.com.my/aob/aob-announcements/annual-transparency-reporting-for-firms-that-audit-public-interest-entities-in-malaysia>;
  - UHY Malaysia's audit and assurance practice has 4 offices in Malaysia and over 200 audit and advisory personnel. Since its establishment in 2008 with a twenty-member team based out of Mid Valley City, the Kuala Lumpur (KL) office has expanded rapidly under the dynamic leadership of Datuk Tee Guan Pian and the founding members. UHY in Malaysia is scaling new heights as it widens its service capabilities and elevates the UHY brand as a preferred mid-tier professional practice serving participants of the Malaysian capital market and multinational corporations.
  - Audit and assurance remain a core service of UHY Malaysia, with the assurance practice currently serving more than 60 public-listed companies in statutory audit work. Its growing reputation has seen UHY Malaysia acting as the Reporting Accountant for

more than 10 successful Initial Public Offerings (IPOs). As UHY Malaysia fulfils its mandate in promoting the public interest and contributing to a healthy capital market, it has assisted clients and regulators in various high-profile and complicated assurance assignments in Malaysia.

- UHY Malaysia has gained much recognition through numerous awards over the years. These include the SME Best Employer Award by the Malaysian Institute of Human Resource Management (MIHRM), Best Companies to Work for Award by HR Asia, and the Star Outstanding Business Awards (SOBA) by Star Media Group.
9. The AC has also assessed and noted that the engagement partner to be assigned from UHY Malaysia to the Group has the relevant audit experience in auditing clients in areas of aesthetic and cosmetic/plastic surgery and reconstructive surgery, aesthetic dental care and hair transplant care and related treatments.

Amongst these clients include Alps Global Holding Berhad and Dorra Slimming.

10. The AC has assessed and conducted interviews with both UHYLSC and UHY Malaysia and determined that (1) they have sufficient resources to meet the periodic reporting and (2) they have experience in auditing listed companies.

(b) With the bulk of the Company's subsidiaries and operations based in Malaysia, the AC after in discussion with UHYLSC noted that UHYLSC will adopt the following strategies:

1. All the Malaysia subsidiaries will be audited by UHY Malaysia;
2. UHYLSC, the Group Auditor will identify the significant components for UHY Malaysia to provide audit clearance to UHYLSC;
3. UHYLSC will issue Group Audit Instructions to UHY Malaysia (detailing the audit procedures to address the identified significant risks and other areas of audit focus) and will also review the audit working papers of UHY Malaysia for all identified significant components;
4. UHYLSC as Group Auditor will be actively involved and will participate throughout the entire audit process comprising audit planning, audit execution and audit completion of the component audit. This also includes regular meeting discussion with UHY Malaysia and local management to identify and resolve identified audit issues as well as potential audit issues that may/will be encountered during the course of the audit.
5. Where necessary, UHYLSC will also visit UHY Malaysia and the Malaysia subsidiaries to better understand the components and its environments and to hold face to face discussion on identified audit issues with local management and component auditors.

#### **BY ORDER OF THE BOARD**

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

30 April 2024

---

*This announcement has been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited (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.*

*The details of the contact person for the Sponsor are:*

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

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

*Tel: (65) 6241 6626*