

CIRCULAR DATED 24 NOVEMBER 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.

If you have sold or transferred all your shares in the capital of Beverly JCG Ltd. (the "**Company**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular is available on the Company's website at <https://www.beverlyjcg.com/investor-relations/announcements/> and on SGXNET at www.sgx.com/securities/company-announcements. A member will need an internet browser and PDF reader to view these documents. Printed copies of this Circular will also be despatched to Shareholders today. Please refer to Section 8 (Action to be taken by Shareholders) of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM.

The Company is a sponsored company listed on the Catalist Board ("**Catalist**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Companies listed on Catalist may carry higher investment risks when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares traded on Catalist.

*This Circular has been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"). This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.*

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



BEVERLY JCG LTD.

(Incorporated in Singapore)

(Unique Entity Number: 200505118M)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED SHARE CONSOLIDATION OF EVERY FIFTY (50) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS AS AT THE PROPOSED SHARE CONSOLIDATION RECORD DATE (AS DEFINED HEREIN) INTO ONE (1) CONSOLIDATED SHARE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND**
- (2) THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 222,590,719 NEW ORDINARY SHARES (THE "RIGHTS SHARES") IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.035 PER RIGHTS SHARE, WITH UP TO 222,590,719 FREE DETACHABLE WARRANTS, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY THREE (3) CONSOLIDATED SHARES IN THE CAPITAL OF THE COMPANY AT THE RECORD DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED, AND ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED.**

Manager for the Rights Issue



Evolve Capital Advisory

晋化资本

Evolve Capital Advisory Private Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 201718400R)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	9 December 2023 at 3.00 p.m.
Date and time of Extraordinary General Meeting	:	11 December 2023 at 3.00 p.m.
Place of Extraordinary General Meeting	:	Connection 4, Level 3 Amara Hotel, 165 Tanjong Pagar Road Singapore 088539

CONTENTS

	Page No.
DEFINITIONS	2
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS	12
LETTER TO SHAREHOLDERS	13
1. INTRODUCTION	13
2. THE PROPOSED SHARE CONSOLIDATION	14
3. THE RIGHTS CUM WARRANTS ISSUE	24
4. FINANCIAL EFFECTS OF THE RIGHTS CUM WARRANTS ISSUE	45
5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	47
6. RECOMMENDATION BY THE DIRECTORS	50
7. EXTRAORDINARY GENERAL MEETING	50
8. ACTION TO BE TAKEN BY SHAREHOLDERS	50
9. DIRECTORS' RESPONSIBILITY STATEMENT	51
10. CONSENT	51
11. DOCUMENTS AVAILABLE FOR INSPECTION	51
APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE.	53
NOTICE OF EXTRAORDINARY GENERAL MEETING	67
PROXY FORM	74

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires or is otherwise stated, the following definitions shall apply throughout:

- “2021 Deed Poll”** : The deed poll entered into by the Company on 28 April 2021
- “2021 Warrants”** : The warrants in registered form allotted and issued by the Company pursuant to the terms and conditions set out in the 2021 Deed Poll
- “2022 Deed Poll”** : The deed poll entered into by the Company on 10 March 2022
- “2022 Warrants”** : The warrants in registered form allotted and issued by the Company pursuant to the terms and conditions set out in the 2022 Deed Poll
- “2023 Deed Poll”** : The deed poll to be executed by the Company for the purpose of constituting the 2023 Warrants and containing, *inter alia*, provisions for the protection of the rights and interests of the Warranholders
- “2023 Warrant”** : Up to 222,590,719 free detachable warrants in registered form to be issued by the Company together with the Rights Shares pursuant to the Rights Cum Warrants Issue and (where the context so admits) such additional warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions set out in the 2023 Deed Poll (any such additional warrants to rank *pari passu* with the 2023 Warrants to be issued together with the Rights Shares and for all purposes to form part of the same series of 2023 Warrants constituted by the 2023 Deed Poll), each warrant entitling the holder thereof to subscribe for one (1) Warrant Share at the Exercise Price, subject to and in accordance with the terms and conditions as set out in the 2023 Deed Poll
- “9MFY2022”** : The nine-month financial period ended 30 September 2022
- “9MFY2023”** : The nine-month financial period ended 30 September 2023
- “Adjusted Share Option”** : Has the meaning ascribed to it in Section 2.9 of this Circular
- “Adjusted Warrant”** : Has the meaning ascribed to it in Section 2.8 of this Circular
- “Announcement”** : The announcement made by the Company on 25 September 2023 relating to the Proposed Share Consolidation and the Rights cum Warrants Issue

DEFINITIONS

“ARE”	:	The application and acceptance form for Rights Shares with 2023 Warrants and Excess Rights Shares with 2023 Warrants to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares with 2023 Warrants under the Rights Cum Warrants Issue
“ARS”	:	The application and acceptance form for Rights Shares with 2023 Warrants to be issued to Purchasers of the provisional allotments of Rights Shares with 2023 Warrants under the Rights Cum Warrants Issue traded on the Catalist through the book-entry (scripless) settlement system
“Associate”	:	<p>(a) in relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <ul style="list-style-type: none">(i) his immediate family (that is, the person’s spouse, child, adopted child, step-child, sibling and parent);(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more</p>
“ATM”	:	Automated teller machine of a Participating Bank
“Auditor’s Certificate”	:	The signed certificate issued by the auditors on 16 November 2023 certifying that the adjustments to the Relevant Outstanding Warrants and the Relevant Outstanding Options are in accordance with the terms of the Relevant Outstanding Deed Polls and the ESOS respectively
“Board”	:	The board of Directors of the Company as at the Latest Practicable Date

DEFINITIONS

“BW Deed Poll”	:	The deed poll entered into by the Company on 23 September 2019
“BW Warrants”	:	The warrants in registered form allotted and issued by the Company pursuant to the terms and conditions set out in the BW Deed Poll
“Catalist”	:	The Catalist Board of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 24 November 2023
“Closing Date”	:	The time and date to be determined by the Directors, being the last time and date for acceptance and/or Excess Application and payment, and renunciation and payment of, the Rights Shares with 2023 Warrants under the Rights Cum Warrants Issue
“Committee”	:	A committee comprising directors of the Company duly authorised and appointed by the Board to administer the ESOS
“Companies Act”	:	The Companies Act 1967 of Singapore as amended, modified or supplemented from time to time
“Company”	:	Beverly JCG Ltd.
“Consolidated Shares”	:	The new Shares to be issued by the Company pursuant to the Proposed Share Consolidation
“Controlling Shareholder”	:	A person who (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over a company
“CPF”	:	Central Provident Fund
“CPF Funds”	:	CPF investible savings
“CPF Investment Account”	:	The investment account maintained with a CPF agent bank for the purpose of investment of CPF Funds under the CPFIS – Ordinary Account
“CPFIS”	:	CPF Investment Scheme

DEFINITIONS

“CPFIS Shareholders”	:	Shareholders who have previously purchased Shares using their CPF Funds under the CPF Investment Account
“Dec 2021 Deed Poll”	:	The deed poll entered into by the Company on 6 December 2021
“Dec 2021 Warrants”	:	The warrants in registered form allotted and issued by the Company pursuant to the terms and conditions set out in the Dec 2021 Deed Poll
“DFN”	:	Dato’ Ng Tian Sang @ Ng Kek Chuan
“DFN Deed Poll”	:	The deed poll entered into by the Company on 11 July 2019
“DFN Warrants”	:	The warrants in registered form allotted and issued by the Company pursuant to the terms and conditions set out in the DFN Deed Poll
“Director”	:	A director of the Company as at the Latest Practicable Date, and “Directors” shall be construed accordingly
“Director’s Certificate”	:	The certificate signed by a Director setting out particulars of the adjustments to the Relevant Outstanding Warrants, as required under the terms of the Relevant Outstanding Deed Polls
“EGM”	:	The extraordinary general meeting of the Company to be convened and held on 11 December 2023 at 3.00 p.m., notice of which is set out on pages 67 to 73 of this Circular
“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Account as at the Record Date and (i) whose registered addresses with CDP are in Singapore as at the Record Date, or (ii) who have, at least three (3) Market Days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Shareholders whose (i) share certificates are not deposited with CDP, (ii) Shares are registered in their own names and (iii) registered addresses are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided the Company with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“EPS”	:	Earnings per Share
“ESOS”	:	The Albedo Employee Share Option Scheme, adopted by the Company on 24 February 2006 and 5 May 2010 as amended, modified or varied from time to time

DEFINITIONS

“Excess Applications”	:	Has the meaning ascribed to it in <u>Section 3.4</u> of this Circular
“Excess Rights Shares”	:	Has the meaning ascribed to it in <u>Section 3.4</u> of this Circular
“Exercise Period”	:	The period commencing on and including the date of issue of the 2023 Warrants and expiring at 5:00 p.m. (Singapore time) on the Market Day immediately preceding the third (3rd) anniversary of the date of issue of the 2023 Warrants
“Exercise Price”	:	The price payable in respect of each Warrant Share upon the exercise of a 2023 Warrant shall be S\$0.051, subject to certain adjustments in accordance with the terms and conditions of the 2023 Warrants to be set out in the Deed Poll
“Existing Share Capital”	:	The existing share capital of the Company comprising 29,107,775,223 Shares (excluding treasury shares) as at the Latest Practicable Date
“Foreign Purchasers”	:	Has the meaning ascribed to it in <u>Section 3.6(b)</u> of this Circular
“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Record Date and who have not, at least three (3) Market Days prior thereto, provided the Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended 31 December
“Group”	:	The Company and its subsidiaries from time to time
“Issue Price”	:	S\$0.035 for each Rights Share
“Latest Practicable Date”	:	14 November 2023, being the latest practicable date prior to the date of this Circular
“LPS”	:	Loss per Share
“Manager”	:	Evolve Capital Advisory Private Limited
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“MAS”	:	The Monetary Authority of Singapore
“Maximum Subscription Scenario”	:	Has the meaning ascribed to it in <u>Section 3.3</u> of this Circular

DEFINITIONS

“NAV”	:	Net asset value
“Net Proceeds”	:	Net proceeds for the Rights Cum Warrants Issue after deducting expenses for the Rights Cum Warrants Issue (without taking into account the proceeds from the exercise of the 2023 Warrants)
“Notice of EGM”	:	The notice of the EGM which is set out on pages 67 to 73 of this Circular
“NTA”	:	Net tangible assets
“NTL”	:	Net tangible liabilities
“Offer Information Statement”	:	The offer information statement, together with the ARE, the ARS, the PAL and all other accompanying documents (where applicable, including any supplementary or replacement document thereof) to be issued by the Company and to be lodged with the SGX-ST, acting as an agent on behalf of MAS in connection with the Rights Cum Warrants Issue
“Ordinary Resolution 1”	:	Has the meaning ascribed to it in <u>Section 1.1</u> of this Circular
“Ordinary Resolution 2”	:	Has the meaning ascribed to it in <u>Section 1.1</u> of this Circular
“Participating Banks”	:	The banks that will be participating in the Rights Cum Warrants Issue by making available their ATMs to Entitled Depositors for acceptances of the Rights Shares with 2023 Warrants and/or Excess Applications
“Proposed Resolutions”	:	Has the meaning ascribed to it in <u>Section 1.1</u> of this Circular
“Proposed Share Consolidation”	:	The proposed share consolidation of every fifty (50) existing Shares held by Shareholders as at the Proposed Share Consolidation Record Date into one (1) Consolidated Share, fractional entitlements to be disregarded
“Proposed Share Consolidation Effective Trading Date”	:	The date to be determined by the Directors as being the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will trade on the Catalist Board of the SGX-ST in board lots of one hundred (100) Consolidated Shares

DEFINITIONS

“Proposed Share Consolidation Record Date”	:	The time and date (to be announced by the Company) at and on which, subject to the approval of Shareholders for the Proposed Share Consolidation Resolution being obtained at the EGM and the receipt of a listing and quotation notice from the SGX-ST for permission to deal in and for the listing of and quotation for the Consolidated Shares on the Catalist Board of the SGX-ST, the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of Shareholders to the Consolidated Shares pursuant to the Proposed Share Consolidation
“Proposed Share Consolidation Resolution”	:	The resolution to be proposed at the EGM to approve the Proposed Share Consolidation as set out in the Notice of EGM
“Provisional Allotment Letter” or “PAL”	:	The provisional allotment letter to be issued to Entitled Scripholders, setting out the provisional allotment of Rights Shares with 2023 Warrants under the Rights Cum Warrants Issue
“Proxy Form”	:	Has the meaning ascribed to it in <u>Section 8</u> of this Circular
“Purchaser”	:	A purchaser of the Rights traded on the SGX-ST through the book-entry (scripless) settlement system
“Record Date”	:	A time and date to be determined by the Directors and announced by the Company in due course, being the time and date at and on which the Register of Members and share transfer books of the Company will be closed to determine the provisional allotments of Entitled Shareholders under the Rights Cum Warrants Issue and, in the case of Entitled Depositors, at and on which date their provisional allotments of Rights Shares with 2023 Warrants under the Rights Cum Warrants Issue are determined
“Register of Members”	:	Register of members of the Company
“Relevant Outstanding Deed Polls”	:	Collectively, the Rest Investments Deed Poll, the Tan Suiying Deed Poll, the DFN Deed Poll, the BW Deed Poll, the 2021 Deed Poll, the Dec 2021 Deed Poll and the 2022 Deed Poll
“Relevant Outstanding Options”	:	Has the meaning ascribed to it in <u>Section 2.9</u> of this Circular
“Relevant Outstanding Warrants”	:	Has the meaning ascribed to it in <u>Section 2.8</u> of this Circular
“Rest Investments Deed Poll”	:	The deed poll entered into by the Company on 3 December 2018

DEFINITIONS

“Rest Investments Warrants”	:	The warrants in registered form allotted and issued by the Company pursuant to the terms and conditions set out in the Rest Investments Deed Poll
“Rights”	:	Rights to subscribe for one (1) Rights Share with 2023 Warrants for every three (3) Consolidated Shares held by Entitled Shareholders as at the Record Date
“Rights Cum Warrants Issue”	:	Has the meaning ascribed to it in <u>Section 3.1</u> of this Circular
“Rights Shares”	:	Has the meaning ascribed to it in <u>Section 3.1</u> of this Circular, and “Rights Share” shall be construed accordingly
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“Securities and Futures Act” or “SFA”	:	Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNET”	:	The broadcast network utilised by companies listed on the SGX-ST for the purpose of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST from time to time)
“Share”	:	An ordinary share in the capital of the Company, and “Shares” shall be construed accordingly
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company or, where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“Share Registrar”, “Share Transfer Agent”, “Warrant Agent” or “Warrant Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Sponsor”	:	The continuing sponsor of the Company, Evolve Capital Advisory Private Limited
“SRS”	:	Supplementary Retirement Scheme

DEFINITIONS

“SRS Investors”	:	Investors who had purchased the Shares using their SRS accounts
“Substantial Shareholder”	:	A person (including a corporation) who (a) has an interest or interests in one or more voting shares in a company and (b) the total votes attached to that share, or those shares, is not less than five per cent. (5.0%) of the total votes attached to all the voting shares in the Company
“Tan Suying Deed Poll”	:	The deed poll entered into by the Company on 11 April 2019
“Tan Suying Warrants”	:	The warrants in registered form allotted and issued by the Company pursuant to the terms and conditions set out in the Tan Suying Deed Poll
“Unit Share Market”	:	The unit share market of the SGX-ST
“Warrant Share”	:	Has the meaning ascribed to it in <u>Section 3.2</u> of this Circular, and “Warrant Shares” shall be construed accordingly
“Warrantholders”	:	The registered holders of the Warrants, except that where the registered holder is CDP, it shall mean the persons named in the Depository Register against which the Warrants are credited, and “Warrantholder” shall be construed accordingly
“Warrants”	:	The warrants issued or to be issued by the Company which includes the Relevant Outstanding Warrants and the 2023 Warrants
“Warrants Exercise Proceeds”	:	Has the meaning ascribed to it in <u>Section 3.7</u> of this Circular

Currencies and Units of Measurements

“%”	:	Per cent or percentage
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

DEFINITIONS

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Catalist Rules.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the Catalist Rules or any modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the SFA or the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to Shares being allotted to a person includes allotment to CDP for the account of that Depositor.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, unless otherwise stated.

Any discrepancies in tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, the figures shown as totals in this Circular may not be an aggregation of the figures that precede them.

Harry Elias Partnership LLP has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular. No other legal advisers were previously engaged by the Company in relation to this Circular and/or the Proposed Resolutions.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, business strategy, plans and prospects are forward-looking statements and accordingly involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given the risks and uncertainties which may cause the Group’s actual future results, performance or achievements to be materially different from those expected, expressed or implied by forward-looking statements in this Circular, undue reliance must not be placed on those statements. The Company does not represent or warrant that the Group’s actual future results, performance or achievements will be as discussed in those statements. Further, the Company disclaims any responsibility, and undertakes no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

BEVERLY JCG LTD.

(Incorporated in Singapore)
(Unique Entity Number: 200505118M)

Directors:

Dato' Ng Tian Sang @ Ng Kek Chuan
(Deputy Chairman and Chief Executive Officer)
Mr Howard Ng How Er
(Executive Director and Deputy Chief Executive Officer)
Mr Yap Siean Sin (Independent Non-Executive Chairman)
Mr Kong Sin Seng (Independent Director)
Mr Cheung Wai Man, Raymond (Independent Director)

Registered Office:

160 Robinson Road
#05-08 SBF Centre
Singapore 068914

24 November 2023

To: The Shareholders of Beverly JCG Ltd.

Dear Sir/Madam,

- (1) **THE PROPOSED SHARE CONSOLIDATION OF EVERY FIFTY (50) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS AS AT THE PROPOSED SHARE CONSOLIDATION RECORD DATE (AS DEFINED HEREIN) INTO ONE (1) CONSOLIDATED SHARE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND**
- (2) **THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 222,590,719 NEW ORDINARY SHARES (THE "RIGHTS SHARES") IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.035 PER RIGHTS SHARE, WITH UP TO 222,590,719 FREE DETACHABLE WARRANTS, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY THREE (3) CONSOLIDATED SHARES IN THE CAPITAL OF THE COMPANY AT THE RECORD DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED, AND ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED.**

1. INTRODUCTION

1.1. EGM

The Board is convening an EGM to seek the approval of Shareholders for the following resolutions:

- (a) the Proposed Share Consolidation ("**Ordinary Resolution 1**"); and
 - (b) the Rights Cum Warrants Issue ("**Ordinary Resolution 2**"),
- (collectively, the "**Proposed Resolutions**").

LETTER TO SHAREHOLDERS

1.2. Conditionality of the Resolutions

The Directors wish to highlight that whilst Ordinary Resolution 1 is not conditional upon the passing of Ordinary Resolution 2, Ordinary Resolution 2 is conditional upon the passing of Ordinary Resolution 1. As mentioned in Section 2.2 of this Circular, the Proposed Share Consolidation is intended to facilitate the Rights Cum Warrants Issue, taking into consideration the terms of the Rights Cum Warrants Issue. However, if only Ordinary Resolution 1 is passed, the Company intends to proceed with the same notwithstanding that Ordinary Resolution 2 is not passed, for the reasons set out in Section 2.2 of this Circular.

1.3. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with all necessary information relating to the Proposed Resolutions, and to seek Shareholders' approval for the same at the EGM.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholder to whom this Circular is despatched to by the Company) or for any other purpose.

1.4. The SGX-ST

The SGX-ST assumes no responsibility for the contents of this Circular including the correctness of any of the statements made or opinions expressed or reports contained in this Circular. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

2. THE PROPOSED SHARE CONSOLIDATION

2.1. Background

On 25 September 2023, the Company announced that it is proposing to seek Shareholders' approval to undertake the Proposed Share Consolidation, pursuant to which every fifty (50) existing Shares held by Shareholders as at the Proposed Share Consolidation Record Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded. The Proposed Share Consolidation will be undertaken immediately prior to the Rights Cum Warrants Issue.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, the Register of Members and the transfer books of the Company will be closed on the Proposed Share Consolidation Record Date to determine the entitlements of Shareholders to the Consolidated Shares. With effect from 9.00 a.m. on the Proposed Share Consolidation Effective Trading Date, every fifty (50) existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share, with any fractional entitlements to be disregarded.

Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares.

LETTER TO SHAREHOLDERS

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Proposed Share Consolidation Record Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) aggregating and cancelling the same, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Shareholders should also note that in the event that the Directors, in their absolute discretion, decide to cancel the aggregated fractions of Consolidated Shares arising from the Proposed Share Consolidation, affected Shareholders will not be paid for any fractional shares cancelled and not issued.

Shareholders whose shareholdings, as at the Proposed Share Consolidation Record Date, is less than fifty (50) existing Shares should note that the Proposed Share Consolidation will result in such Shareholders no longer being Shareholders upon completion of the Proposed Share Consolidation. As such, they should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. They may, subject to such advice on actions that they should take and their own investment policies and risk/return requirements, consider the possibility of purchasing additional Shares so as to increase the number of existing Shares held to a multiple of fifty (50) existing Shares prior to the Proposed Share Consolidation Record Date.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$84,402,827, comprising 29,107,775,223 existing Shares (“**Existing Share Capital**”). Assuming (i) there will be no new Shares issued by the Company from the Latest Practicable Date up to the Proposed Share Consolidation Record Date and (ii) no fractions of Consolidated Shares arising from the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of S\$84,402,827, comprising 582,155,504 Consolidated Shares, following the completion of the Proposed Share Consolidation. As at the Latest Practicable Date, the Company does not have any treasury shares.

The Proposed Share Consolidation will not have any theoretical impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will also not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Group.

Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than (i) non-material changes due to rounding and the disregard of the fractional entitlement; and (ii) Shareholders whose shareholdings, as at the Proposed Share Consolidation Record Date, is less than fifty (50) existing Shares will no longer be Shareholders upon completion of the Proposed Share Consolidation as described above.

LETTER TO SHAREHOLDERS

2.2. Rationale for the Proposed Share Consolidation

The Board believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

(a) Satisfaction of the minimum bid size prescribed by the SGX-ST

The Company may, from time to time, undertake corporate actions which may involve the issue of new Shares. The volume-weighted average price (the “**VWAP**”) of the Shares for the period of six (6) months prior to the Latest Practicable Date was S\$0.001, being the minimum bid size prescribed by the SGX-ST. Following the Proposed Share Consolidation, the commercial terms of any corporate action which the Company may undertake in the near future may require the issue of new Shares at a discount to the prevailing trading price of the Shares. Accordingly, to facilitate any such future corporate action, the Company proposes to carry out the Proposed Share Consolidation on a 50:1 basis.

(b) Reduction of volatility of the Share Price

The absolute price of the Shares of the Company traded on the Catalist Board of the SGX-ST has been closing at a low level in the past six (6) months before the Latest Practicable Date, with the last traded Share price being S\$0.001. As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in lowly-priced shares may translate to higher transaction costs, relative to the trading price, for each board lot of Shares. In addition, lowly-priced shares are generally more prone to speculation and market manipulation. Given their susceptibility to speculation and market manipulation, lowly-priced shares are generally more volatile as compared to higher-priced shares. The Board believes that the Proposed Share Consolidation may serve to reduce the volatility of its Share price, reduce fluctuations in the Company’s market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.

(c) Increase in the market interest and attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding. It is expected that, all other things being equal, the theoretical trading price and NTA of each Consolidated Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation would be higher than the current trading price and NTA of each existing Share. In addition, the Proposed Share Consolidation may facilitate corporate actions and also increase market interest and liquidity in the Shares, and generally make the Shares more attractive to investors, including institutional investors, thus providing a more diverse shareholder base.

Shareholders should note however that there can be no assurance that the Proposed Share Consolidation will achieve the aforesaid desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

LETTER TO SHAREHOLDERS

2.3. Conditions for the Proposed Share Consolidation

The implementation of the Proposed Share Consolidation is subject to, amongst others:-

- (a) the approval of Shareholders for the Proposed Share Consolidation Resolution at the EGM; and
- (b) the Company obtaining the in-principle approval of the SGX-ST for the listing of, and quotation for, the Consolidated Shares on the Catalist Board of the SGX-ST and such approval not having been withdrawn or revoked on or prior to the completion of the Proposed Share Consolidation.

An application will be made by the Sponsor, for and on behalf of the Company, to obtain permission from the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares, arising from the Proposed Share Consolidation, on the Catalist Board of the SGX-ST. An announcement will be made by the Company upon the receipt of the outcome of the application in due course. Any listing and quotation notice which may be issued by the SGX-ST for the listing of and quotation for the Consolidated Shares is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company and/or its subsidiaries.

2.4. Updating of Register of Members and Depository Register

If the approval of Shareholders to the Proposed Share Consolidation is obtained, the Register of Members of the Company and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders and Depositors based on their shareholdings in the Company as at the Proposed Share Consolidation Record Date, and the Consolidated Shares will be traded in board lots of one hundred (100) Consolidated Shares.

2.4.1. Deposit of Share Certificates with CDP

Shareholders who hold physical share certificates in respect of the existing Shares in their own names (the “**Old Share Certificates**”), and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts maintained with CDP, must deposit their Old Share Certificates with CDP, together with duly executed instruments of transfer in favour of CDP, at least twelve (12) Market Days prior to the Proposed Share Consolidation Record Date. After the Proposed Share Consolidation Record Date, CDP will not accept any Old Share Certificates for deposit.

After the Proposed Share Consolidation Record Date, CDP will only accept the deposit of physical share certificates in respect of the Consolidated Shares (the “**New Share Certificates**”). Shareholders who wish to deposit their New Share Certificates with CDP after the Proposed Share Consolidation Record Date must first deliver their Old Share Certificates to the Share Transfer Agent at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632 for cancellation and issuance of New Share Certificates in replacement thereof as described below.

LETTER TO SHAREHOLDERS

2.4.2. Issue of New Share Certificates

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Proposed Share Consolidation Record Date need not take any action. The Company will make arrangements with CDP to effect the exchange for the New Share Certificates.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to deliver all their Old Share Certificates to the Share Transfer Agent at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632 as soon as possible and preferably, not later than five (5) Market Days after they have been notified of the Proposed Share Consolidation Record Date for cancellation and issuance of New Share Certificates in replacement thereof. No receipt will be issued by the Share Transfer Agent upon receipt of any Old Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of the relevant Shareholders at their own risk within ten (10) Market Days from the Proposed Share Consolidation Record Date or the date of receipt of the Old Share Certificates, whichever is the later.

Shareholders should note that the New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have already been tendered to the Share Transfer Agent for cancellation. Shareholders should notify the Share Transfer Agent if they have lost any of their Old Share Certificates or if there is any change in their respective addresses from those reflected in the Register of Members.

Shareholders are reminded to deliver their Old Share Certificates to CDP or the Share Transfer Agent in accordance with the provisions set out above only after the Company's announcement of the Proposed Share Consolidation Record Date.

2.4.3. Share Certificates not valid for settlement of trades on the Catalist Board of the SGX-ST

Shareholders are reminded that their physical share certificates are not valid for settlement of trading in Consolidated Shares on the Catalist Board of the SGX-ST as the Company is under a book-entry (scripless) settlement system but their Old Share Certificates will continue to be accepted by the Share Transfer Agent for cancellation and issuance of New Share Certificates in replacement thereof for an indefinite period. The New Share Certificates will not be valid for delivery for trades done on the Catalist Board of the SGX-ST although they will continue to be *prima facie* evidence of legal title to the Consolidated Shares.

2.5. **Trading Arrangement for the Consolidated Shares and Odd Lots**

2.5.1. Trading Arrangements for the Consolidated Shares

Subject to the approval of Shareholders for the Proposed Share Consolidation Resolution at the EGM, with effect from 9.00 a.m. on the Proposed Share Consolidation Effective Trading Date, trading in the Consolidated Shares on the Catalist Board of the SGX-ST will be in board lots of one hundred (100) Consolidated Shares. Accordingly, every fifty (50) existing Shares as at 5.00 p.m. on the Market Day immediately preceding the Proposed Share Consolidation Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Proposed Share Consolidation Effective Trading Date. Trading in the existing Shares on the Catalist Board of the SGX-ST will cease after 5.00 p.m. on the Market Day immediately preceding the Proposed Share Consolidation Effective Trading Date.

LETTER TO SHAREHOLDERS

2.5.2. Trading Arrangements for Odd Lots

Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (a) aggregating and cancelling the same, or (b) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

The existing Shares are currently traded in board lots of one hundred (100) existing Shares on the Catalist Board of the SGX-ST. After completion of the Proposed Share Consolidation, the Securities Accounts maintained with CDP of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of one hundred (100) Consolidated Shares).

Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in such odd lots may trade with a minimum size of one (1) Consolidated Share on the SGX-ST's Unit Share Market. The SGX-ST's Unit Share Market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying shares. As odd lots of Consolidated Shares may be traded on the SGX-ST's Unit Share Market, no separate arrangement will be made for the trading of such odd lots.

Shareholders should note that the market for trading of such odd lots of Consolidated Shares may be illiquid and they may have to bear disproportionate transaction costs in trading their Consolidated Shares on the SGX-ST's Unit Share Market. Shareholders who wish to trade their Consolidated Shares on the SGX-ST's Unit Share Market should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

2.6. **Financial Effects of the Proposed Share Consolidation**

The financial effects of the Proposed Share Consolidation on the Group are presented purely for illustrative purposes only and do not purport to be indicative or a projection of the actual results and financial position of the Company and/or the Group immediately after completion of the Proposed Share Consolidation.

The *pro forma* financial effects of the Proposed Share Consolidation have been computed based on the audited consolidated financial statements of the Group for FY2022, on the following bases and assumptions:

- (i) there will be no fractions of Consolidated Shares arising from the Proposed Share Consolidation;
- (ii) the Existing Share Capital comprises 29,107,775,223 Shares (excluding treasury shares);
- (iii) the financial effects on the consolidated NTA per Share of the Group are computed on the assumption that the Proposed Share Consolidation was completed on 31 December 2022;
- (iv) the financial effects on the LPS of the Group are computed on the assumption that the Proposed Share Consolidation was completed on 1 January 2022; and
- (v) the computation does not take into account any expenses that may be incurred in connection with the Proposed Share Consolidation.

LETTER TO SHAREHOLDERS

2.6.1. Share Capital

	Before Completion of the Proposed Share Consolidation	After Completion of the Proposed Share Consolidation
Number of Shares	29,107,775,223 ⁽¹⁾	582,155,504
Share Capital (S\$'000)	84,402	84,402

(1) The number of Shares includes the additional shares that were issued pursuant to the recent completion of the Proposed Acquisitions, Proposed Debt Capitalisation and Evolve Share Issuance as per the Company's announcement on 15 September 2023, assuming the shares were issued as at 31 December 2022.

2.6.2. NTA per Share

	Before Completion of the Proposed Share Consolidation	After Completion of the Proposed Share Consolidation
NTA attributable to the equity holders of the Company as at 31 December 2022 ⁽¹⁾ (S\$'000)	(1,995)	(1,995)
Number of Shares ⁽²⁾	29,107,775,223	582,155,504
NTA per Share (S\$ cents)	(0.007)	(0.343)

(1) NTA is based on total assets less the sum of total liabilities, intangible assets and non-controlling interest.

(2) The number of issued shares includes the additional shares that were issued pursuant to the recent completion of the Proposed Acquisitions, Proposed Debt Capitalisation and Evolve Share Issuance as per the Company's announcement on 15 September 2023, assuming the shares were issued as at 31 December 2022.

2.6.3. LPS

	Before Completion of the Proposed Share Consolidation	After Completion of the Proposed Share Consolidation
Loss after tax attributable to equity holders of the Company (S\$'000)	2,115	2,115
Weighted average number of Shares ⁽¹⁾	28,891,367,749	577,827,354
LPS (S\$ cents)	0.007	0.366

(1) The weighted average number of Shares includes the additional shares that were issued pursuant to the recent completion of the Proposed Acquisitions, Proposed Debt Capitalisation and Evolve Share Issuance as per the Company's announcement on 15 September 2023, assuming the shares were issued on 1 January 2022.

2.6.4. Gearing

The Proposed Share Consolidation will not have any effect on the gearing of the Company and the Group.

LETTER TO SHAREHOLDERS

2.6.5. VWAP and Theoretical Adjusted VWAP

The following table sets out the highest and lowest transacted price of the Shares, and the volume of Shares transacted, on the Catalist Board of the SGX-ST for the 6-month period up to and including the Latest Practicable Date.

	Highest	Lowest	Volume
May 2023	0.001	0.001	36,030,000
June 2023	0.001	0.001	70,430,000
July 2023	0.001	0.001	2,780,000
August 2023	0.001	0.001	46,670,000
September 2023	0.001	0.001	22,080,000
October 2023	0.001	0.001	1,819,000
1 November 2023 up to the Latest Practicable Date	0.001	0.001	627,000

Source: Bloomberg L.P.

2.7. **Share Consolidation Record Date**

Subject to the approval of Shareholders for the Proposed Share Consolidation Resolution at the EGM, the Directors will fix the Proposed Share Consolidation Record Date and the Proposed Share Consolidation Effective Trading Date at such time and on such date as they may deem fit in the interests of the Company. An announcement will be made by the Company to notify Shareholders of the Proposed Share Consolidation Record Date and the Proposed Share Consolidation Effective Trading Date in due course.

2.8. **Adjustments to the Relevant Outstanding Warrants**

As at the Latest Practicable Date, the Company has 4,242,345,562 outstanding, unexercised warrants which consist of:

- (a) 952,380,952 outstanding, unexercised Rest Investments Warrants;
- (b) 310,185,185 outstanding, unexercised Tan Suing Warrants;
- (c) 250,000,000 outstanding, unexercised DFN Warrants;
- (d) 162,000,000 outstanding, unexercised BW Warrants;
- (e) 2,112,779,425 outstanding, unexercised 2021 Warrants;
- (f) 245,000,000 outstanding, unexercised Dec 2021 Warrants; and
- (g) 210,000,000 outstanding, unexercised 2022 Warrants,

in registered form allotted and issued by the Company pursuant to the terms and conditions of the existing warrants set out in the Relevant Outstanding Deed Polls (the “**Relevant Outstanding Warrants**”).

LETTER TO SHAREHOLDERS

The Proposed Share Consolidation will constitute an event giving rise to adjustments to the exercise price payable for each new Share on the exercise of the Relevant Outstanding Warrants and the number of Relevant Outstanding Warrants under the terms and conditions of the Relevant Outstanding Deed Polls (each, a “**Condition**”).

The adjustments to the Relevant Outstanding Warrants will not result in any material impact on the share capital, NTA per Share and EPS of the Company.

In accordance with the provisions of each of the Relevant Outstanding Deed Polls:

- (a) the number of unexercised Relevant Outstanding Warrants will be adjusted on the basis that fifty (50) Relevant Outstanding Warrants will be consolidated into one (1) adjusted Relevant Outstanding Warrant (“**Adjusted Warrant**”);
- (b) the existing exercise price of each Relevant Outstanding Warrant will be adjusted, as follows:

Relevant Outstanding Warrant	Existing Exercise Price (\$)	Adjusted Exercise Price (\$)
Rest Investments Warrants	0.0014	0.07
Tan Suying Warrants	0.0018	0.09
DFN Warrants	0.0018	0.09
BW Warrants	0.0020	0.10
2021 Warrants	0.0010	0.05
Dec 2021 Warrants	0.0010	0.05
2022 Warrants	0.0010	0.05

- (c) each Adjusted Warrant shall carry the right to subscribe for one (1) new Consolidated Share upon the exercise thereof.

The total number of Adjusted Warrants issued by the Company after the above adjustments will be 84,846,910.

The abovementioned adjustments will be made pursuant to the Conditions set out in the Relevant Outstanding Deed Polls, i.e. the Company had consulted the auditors and the auditors have certified that such adjustments will be made in accordance with the relevant Conditions set out in the Relevant Outstanding Deed Polls. Copies of (i) the Relevant Outstanding Deed Polls, (ii) the Auditor’s Certificate and (iii) the Director’s Certificate are available for inspection at the registered office of the Company.

An application, where necessary, will be made by the Company to the SGX-ST for the listing of and quotation for the Adjusted Warrants.

LETTER TO SHAREHOLDERS

The adjustment will be effective from the close of the Market Day immediately preceding the date on which the Proposed Share Consolidation becomes effective. Pursuant to the conditions of each of the Relevant Outstanding Deed Polls, any adjustment to the exercise price will be rounded upwards to the nearest 1 cent or 0.1 cent, as the case may be, and any adjustment to the number of Relevant Outstanding Warrants held by each Warrantholder will be rounded downwards to the nearest whole Warrant.

An announcement will be made by the Company in due course to notify Warrantholders of the book closure date, to be determined by the Directors, at and on which the Warrant Register of the Company will be closed to determine entitlements of Warrantholders to the Adjusted Warrants resulting from the Proposed Share Consolidation and the effective date of the adjustments to the Relevant Outstanding Warrants.

2.9. Adjustments to the Relevant Outstanding Share Options

As at the Latest Practicable Date, the Company has a total of 38,487,500 share options (“**Relevant Outstanding Options**”) which were issued pursuant to the ESOS and remain unexercised. The Proposed Share Consolidation will constitute an event giving rise to adjustments to the exercise price payable for each new Share on the exercise of the Relevant Outstanding Options and the number of Relevant Outstanding Options under the rules of the ESOS (each, a “**Rule**”).

Under Rule 10.1 of the ESOS, the exercise price, class and number of shares shall be adjusted in a manner as the Committee may determine to be appropriate, with the written confirmation of auditors that the adjustment is fair and reasonable.

The Committee has determined that following the Proposed Share Consolidation and based on the number of unexercised Relevant Outstanding Options as at the Latest Practicable Date, adjustments shall be made as follows:

- (a) the number of unexercised Relevant Outstanding Options will be adjusted on the basis that fifty (50) Relevant Outstanding Options will be consolidated into one (1) adjusted Relevant Outstanding Options (“**Adjusted Share Option**”);
- (b) the existing exercise price of each Relevant Outstanding Option will be adjusted from S\$0.02 to S\$1.00; and
- (c) each Adjusted Share Option shall carry the right to subscribe for one (1) new Consolidated Share upon the exercise thereof.

The total number of Adjusted Share Options issued by the Company after the above adjustments will be 769,750.

The abovementioned adjustments will be made pursuant to the Rules set out in the ESOS, i.e. the Company had consulted the auditors and the auditors have certified that such adjustments will be made in accordance with the relevant Rules set out in the ESOS and are fair and reasonable. Copies of (i) the rules of the ESOS, (ii) the Auditor’s Certificate, and (iii) particulars of the adjustments are available for inspection at the registered office of the Company.

LETTER TO SHAREHOLDERS

The adjustments to the Relevant Outstanding Options will be effective from the close of the Market Day immediately preceding the date on which the Proposed Share Consolidation becomes effective. The Company shall notify each participant of the ESOS in writing and deliver to him/her a statement setting forth the new exercise price thereafter in effect and the class and/or the number of Consolidated Shares thereafter to be issued or delivered on the exercise of the Adjusted Share Options.

3. THE RIGHTS CUM WARRANTS ISSUE

3.1. Background

On 25 September 2023, the Company announced that it will undertake a renounceable non-underwritten rights cum warrants issue (the “**Rights Cum Warrants Issue**”) of up to 222,590,719 new Consolidated Shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.05 per Rights Share, with up to 222,590,719 free detachable warrants (the “**2023 Warrants**”), on the basis of one (1) Rights Share for every three (3) Consolidated Shares held by Entitled Shareholders as at a Record Date to be determined by the Directors, fractional entitlements to be disregarded, and one (1) 2023 Warrant for every one (1) Rights Share subscribed. The Rights Cum Warrants Issue will only be undertaken after and is conditional upon the completion of the Proposed Share Consolidation. The Rights Cum Warrants Issue is subject to, *inter alia*:

- (a) completion of the Proposed Share Consolidation;
- (b) the receipt of the in-principle approval of the SGX-ST for the listing of, and quotation for, the Rights Shares, the 2023 Warrants and the Warrant Shares on the Catalist Board of the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights Cum Warrants Issue) and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (c) the issue and allotment of the Rights Shares, the 2023 Warrants and the Warrant Shares having been approved by Shareholders at the EGM; and
- (d) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable) in respect of the Rights Cum Warrants Issue with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore.

On 10 November 2023, the Company announced that it will improve the terms of the Rights Cum Warrants Issue to encourage wider subscription from Shareholders. In that regard, the Company will undertake the Rights Cum Warrants Issue of up to 222,590,719 Rights Shares at a new issue price of S\$0.035 (the “**Issue Price**”) per Rights Share, with up to 222,590,719 2023 Warrants, on the basis of one (1) Rights Share for every three (3) Consolidated Shares held by Entitled Shareholders as at a Record Date to be determined by the Directors, fractional entitlements to be disregarded, and one (1) 2023 Warrant for every one (1) Rights Share subscribed.

LETTER TO SHAREHOLDERS

An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the listing of and quotation for the Rights Shares, the 2023 Warrants and the Warrant Shares pursuant to the Rights Cum Warrants Issue. The Company will make the necessary announcement on SGXNET upon the receipt of the listing and quotation notice by the SGX-ST.

Pursuant to the Catalist Rules, the SGX-ST normally requires a sufficient spread of holdings to provide an orderly market in the securities and as a guide, the SGX-ST expects at least one hundred (100) warrant holders for a class of company warrants. Shareholders should note that in the event permission is not granted by the SGX-ST for the listing of and quotation for the 2023 Warrants on the Catalist due to an inadequate spread of holdings for the 2023 Warrants to provide for an orderly market in the trading of the 2023 Warrants, Warrant holders will not be able to trade their 2023 Warrants on the Catalist but the Company shall nevertheless proceed with and complete the Rights Cum Warrants Issue in such event.

3.2. Basis of the Rights Cum Warrants Issue

The Company is offering up to 222,590,719 Rights Shares (on a post-Proposed Share Consolidation basis) to Entitled Shareholders at an issue price of S\$0.035 per Rights Share, and up to 222,590,719 free detachable 2023 Warrants, with each 2023 Warrant carrying the right to subscribe for one (1) new Share (the “**Warrant Share**”) at the Exercise Price of S\$0.051 per 2023 Warrant, on a renounceable non-underwritten basis of one (1) Rights Share for every three (3) Consolidated Shares held by Shareholders as at the Record Date, fractional entitlements to be disregarded, and one (1) 2023 Warrant for every one (1) Rights Share subscribed.

3.3. Size of the Rights Cum Warrants Issue

As at the Latest Practicable Date, the Existing Share Capital comprises 29,107,775,223 Shares and there are 4,242,345,562 Relevant Outstanding Warrants and 38,487,500 Relevant Outstanding Options, all of which may be exercised on or prior to the Record Date. In the event all the Relevant Outstanding Warrants and the Relevant Outstanding Options are exercised, the issued share capital of the Company (excluding treasury shares) will increase to 33,388,608,285 Shares.

Based on the Existing Share Capital, and assuming that (i) all of the Relevant Outstanding Warrants and the Relevant Outstanding Options are exercised and new Shares are issued pursuant thereto on or prior to the Record Date, and (ii) all Entitled Shareholders subscribe and pay for their pro rata entitlements of the Rights Shares with 2023 Warrants (the “**Maximum Subscription Scenario**”), the Company will allot and issue 222,590,719 Rights Shares and 222,590,719 2023 Warrants under the Rights Cum Warrants Issue.

There is no minimum amount which must be raised from the Rights Cum Warrants Issue.

LETTER TO SHAREHOLDERS

3.4. Principal Terms of the Rights Cum Warrants Issue

Basis of Provisional Allotment : The Rights Cum Warrants Issue is proposed to be made on a renounceable non-underwritten basis to Entitled Shareholders on the basis of one (1) Rights Share for every three (3) Consolidated Shares held by Entitled Shareholders as at the Record Date, and one (1) free detachable 2023 Warrant for every one (1) Rights Share subscribed, fractional entitlements to be disregarded.

Number of Rights Shares : Based on the share capital after the Proposed Share Consolidation, the Company will issue up to 222,590,719 Rights Shares (with up to 222,590,719 free detachable 2023 Warrants).

Issue Price : S\$0.035 per Rights Share, payable in full on acceptance and/or application.

The issue price of S\$0.035 per Rights Share represents:

- (i) a thirty per cent (30%) discount to the last traded price of S\$0.05 per Share (on a post-Proposed Share Consolidation Basis) for Shares traded on the Catalist of the SGX-ST on 22 September 2023, being the full Market Day immediately preceding the date of the Announcement on which Shares were traded on the Catalist of the SGX-ST; and
- (ii) a twenty four per cent (24%) discount to the theoretical ex-rights price of S\$0.046 per Share, which is calculated based on the last traded price of S\$0.05 per Share (on a post-Proposed Share Consolidation Basis) for Shares traded on the Catalist of the SGX-ST on 22 September 2023, being the full Market Day immediately preceding the date of the Announcement on which Shares were traded on the Catalist of the SGX-ST.

Eligibility to participate : Please refer to Section 3.6 entitled “Eligibility of Shareholders to Participate in the Rights Cum Warrants Issue” of this Circular.

LETTER TO SHAREHOLDERS

- Status of the Rights Shares : The Rights Shares with 2023 Warrants will be payable in full upon acceptance and/or application and when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares with 2023 Warrants.
- Listing of the Rights Shares : The Company will be making an application to the SGX-ST through its Sponsor for permission to deal in and for the listing of and quotation for the Rights Shares on the Catalist. An appropriate announcement on the outcome of such application will be made in due course.
- Acceptance, Payment and Excess Application : Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or trade (during the provisional allotment trading period prescribed by SGX-ST) their provisional allotments of the Rights Shares with 2023 Warrants and will be eligible to apply for additional Rights Shares with 2023 Warrants in excess of their provisional allotments under the Rights Cum Warrants Issue (the “**Excess Rights Shares**”).

Fractional entitlements to the Rights Shares with 2023 Warrants will be disregarded in arriving at Entitled Shareholders’ provisional allotments of Rights Shares with 2023 Warrants and will, together with such Rights Shares with 2023 Warrants that are not validly taken up by Entitled Shareholders (as defined below), the original allottees or their respective renouncee(s) or the Purchasers of such provisional allotment of Rights Shares with 2023 Warrants, any unsold “nil-paid” provisional allotments of Rights Shares with 2023 Warrants of Foreign Shareholders and any Rights Shares with 2023 Warrants which are not validly taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares with 2023 Warrants (“**Excess Applications**”) (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

LETTER TO SHAREHOLDERS

In the allotment of Excess Rights Shares with 2023 Warrants, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Cum Warrants Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with 2023 Warrants.

The Company will also not make any allotment and issue of any Excess Rights Shares with 2023 Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, will be set out in the Offer Information Statement.

Trading of the Rights Shares : Upon the listing of and quotation for the Rights Shares on the Catalist of the SGX-ST, the Rights Shares will be traded on the Catalist of the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) in relation to the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "*Terms and Conditions for Operation of Securities Accounts with the Depository*", as the same may be amended from time to time, copies of which are available from CDP.

LETTER TO SHAREHOLDERS

- Trading of Odd Lots of Shares : For the purposes of trading on the Catalist of the SGX-ST, each board lot of Rights Shares will comprise one hundred (100) Shares. Following the Rights Cum Warrants Issue, Shareholders who hold odd lots of Shares (that is, lots other than board lots of one hundred (100) Shares) and who wish to trade in odd lots on the Catalist of the SGX-ST are able to trade odd lots of Shares in board lots of one (1) Share on the SGX-ST's Unit Share Market. The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share. Shareholders should note that the market for trading of such odd lots of Shares may be illiquid. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST's Unit Share Market.
- Scaling Down : Depending on the level of subscription for the Rights Shares with 2023 Warrants, the Company will, if necessary, scale down the subscription for the Rights Shares with 2023 Warrants by any of the Entitled Shareholders to avoid placing the relevant Entitled Shareholder in the position of incurring a mandatory general offer obligation under the Singapore Code on Take-overs and Mergers as a result of other Shareholders not taking up their Rights Shares with 2023 Warrants entitlement fully.
- Use of CPF Funds : CPFIS Shareholders can only use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Shares with 2023 Warrants and (if applicable) application for Excess Rights Shares.

LETTER TO SHAREHOLDERS

Such CPFIS Shareholders who wish to accept provisional allotments of the Rights Shares with 2023 Warrants and (if applicable) apply for Excess Rights Shares with 2023 Warrants using CPF Funds must have sufficient funds in their CPF Investment Accounts and will need to instruct their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, to accept the provisional allotments of the Rights Shares with 2023 Warrants and (if applicable) apply for Excess Rights Shares with 2023 Warrants on their behalf in accordance with the terms and conditions in the Offer Information Statement. In the case of insufficient CPF Funds or stock limit, CPFIS Shareholders could top up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept the Rights Shares with 2023 Warrants and (if applicable) apply for Excess Rights Shares with 2023 Warrants.

CPF Funds may not be used to purchase provisional allotments of nil-paid Rights Shares with 2023 Warrants directly from the market.

Use of SRS Funds : SRS Investors who wish to accept their provisional allotments of Rights Shares with 2023 Warrants and (if applicable) apply for Excess Rights Shares with 2023 Warrants can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS accounts.

Such SRS Investors who wish to accept their provisional allotments of Rights Shares with 2023 Warrants and (if applicable) apply for Excess Rights Shares with 2023 Warrants using SRS monies, must instruct the relevant approved banks in which they hold their SRS accounts to accept their provisional allotments of Rights Shares with 2023 Warrants and (if applicable) apply for Excess Rights Shares with 2023 Warrants on their behalf in accordance with the terms and conditions in the Offer Information Statement.

LETTER TO SHAREHOLDERS

SRS Investors who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks before instructing their respective approved banks to accept their provisional allotments of Rights Shares with 2023 Warrants and (if applicable) apply for Excess Rights Shares with 2023 Warrants.

SRS Investors are advised to provide their respective approved banks in which they hold their SRS accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, electronic applications at ATMs of the Participating Banks, the Share Registrar and/or the Company will be rejected.

For the avoidance of doubt, monies in SRS accounts may not be used for the purchase of provisional allotments of the Rights Shares with 2023 Warrants directly from the market.

Estimated Net Proceeds : In the event that the Rights Shares with 2023 Warrants are fully subscribed based on the maximum of 222,590,719 Rights Shares to be issued, the Company expects to raise Net Proceeds of approximately S\$7.5 million from the Rights Cum Warrants Issue, after deducting estimated costs and expenses of approximately S\$300,000 incurred in connection with the Rights Cum Warrants Issue.

Underwriting : The Directors are of the opinion that there is no minimum amount which must be raised from the Rights Cum Warrants Issue. Hence, in view of the aforesaid and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Rights Cum Warrants Issue on a non-underwritten basis.

Governing Law : Laws of the Republic of Singapore

The above terms and conditions of the Rights Cum Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Cum Warrants Issue will be set out in the Offer Information Statement to be electronically disseminated to Entitled Shareholders in due course, subject to, *inter alia*, the approval of the Shareholders for the Rights Cum Warrants Issue at the EGM to be convened.

LETTER TO SHAREHOLDERS

3.5. Principal Terms of the 2023 Warrants

- Number of Warrants : Based on the Existing Share Capital, the Company will issue up to 222,590,719 detachable 2023 Warrants to be issued free together with the Rights Shares.
- Basis of Allotment : One (1) free detachable 2023 Warrant with every one (1) Rights Share subscribed.
- Detachability and Trading : The 2023 Warrants will be detached from the Rights Shares on issue and will be listed and traded separately on the SGX-ST under the book-entry (scripless) settlement system upon the listing of and quotation for the 2023 Warrants on the SGX-ST, subject to, *inter alia*, an adequate spread of holdings of the 2023 Warrants to provide for an orderly market in the 2023 Warrants. Each board lot of 2023 Warrants will consist of one hundred (100) 2023 Warrants or such other number as may be notified by the Company.
- Warrants Exercise Price : S\$0.051 for each 2023 Warrant Share payable upon exercise of a 2023 Warrant, subject to adjustments.

The Exercise Price of S\$0.051 per 2023 Warrant represents:

- (i) a two per cent (2%) premium to the last traded price of S\$0.05 per Share (on a post-Proposed Share Consolidation basis) for Shares traded on the Catalist of the SGX-ST on 22 September 2023, being the full Market Day immediately preceding the date of the Announcement on which Shares were traded on the Catalist of the SGX-ST; and
- (ii) an approximately ten per cent (10%) premium to the theoretical ex-rights price of S\$0.046 per Share, which is calculated based on the last traded price of S\$0.05 per Share (on a post-Proposed Share Consolidation basis) for Shares traded on the Catalist of the SGX-ST on 22 September 2023, being the full Market Day immediately preceding the date of the Announcement on which Shares were traded on the Catalist of the SGX-ST.

LETTER TO SHAREHOLDERS

The Warrants Exercise Price and the premium have been determined after taking into account the size of the Rights Cum Warrants Issue and the potential growth prospects of the Company, in view of the Company's expansion plans. The Company is currently in discussions but no definitive agreement has been entered into by the Company. Further announcements will be made in due course as and when appropriate.

Warrants Exercise Period : The period commencing on and including the date of issue of the 2023 Warrants and expiring at 5:00 p.m. (Singapore time) on the Market Day immediately preceding the third (3rd) anniversary of the date of issue of the 2023 Warrants. The 2023 Warrants that remain unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.

The Company shall, not later than one (1) month before the expiry of the Exercise Period:

- (i) give notice to the Warranholders in accordance with the 2023 Deed Poll of the expiry of the Exercise Period and announce the expiry of the Exercise Period on SGXNET; and
- (ii) take reasonable steps to despatch to the Warranholders notices in writing to their addresses recorded in the Warrant Register or the Depository Register, as the case may be, of the expiry of the Exercise Period.

Listing of 2023 Warrants and Warrant Shares : An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the listing of and quotation for the 2023 Warrants and the Warrant Shares pursuant to the Rights Cum Warrants Issue. The Company will make the necessary announcement on SGXNET upon the receipt of the listing and quotation notice by the SGX-ST.

However, it should be noted that the 2023 Warrants may not be listed and quoted on the SGX-ST if there is an insufficient spread of holdings for the 2023 Warrants to provide for an orderly market in the trading of the 2023 Warrants. In such event, Warranholders will not be able to trade their 2023 Warrants on the SGX-ST.

LETTER TO SHAREHOLDERS

- Form and Subscription Rights : The 2023 Warrants will be issued in registered form and will be constituted by the 2023 Deed Poll. Subject to the terms and conditions of the Warrants as set out in the 2023 Deed Poll, each 2023 Warrant shall entitle the Warranholder, at any time during the Exercise Period, to subscribe for one (1) Warrant Share at the Exercise Price.
- Number of Warrant Shares : Up to 222,590,719 Warrant Shares, assuming that all 222,590,719 2023 Warrants are issued and are fully exercised into Warrant Shares.
- Status of Warrant Shares : The Warrant Shares shall be fully paid and shall rank for any dividends, rights, allocations or other distributions, the record date for which is on or after the relevant exercise date of the 2023 Warrant (subject as aforesaid), *pari passu* in all respects with the then existing Shares of the Company.
- Adjustments : The Exercise Price and/or the number of 2023 Warrants to be held by the Warranholders will, after the issue of the 2023 Warrants, be subject to adjustments under certain circumstances to be set out in the 2023 Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights cum warrants issues and certain capital distributions. Any such adjustments shall be announced by the Company.
- Any additional warrants issued pursuant to such adjustments shall rank *pari passu* with the 2023 Warrants and will for all purposes form part of the same series. Any such adjustments shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company on SGXNET.
- Material Alteration to the Terms of the 2023 Warrants to the Advantage of the Warranholders : Any material alteration to the terms to the 2023 Warrants to the advantage of the Warranholders is subject to the approval of the Shareholders in a general meeting, except where the alterations are made pursuant to the terms and conditions of the 2023 Deed Poll.

LETTER TO SHAREHOLDERS

Transfer and Transmission : A Warranholder whose 2023 Warrants are registered in the name of a person other than CDP (the “**Transferor**”) shall lodge, during normal business hours on any Market Day at the specified office of the Warrant Agent, the Transferor’s warrant certificate(s) together with a transfer form as prescribed by the Company from time to time duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any applicable law.

Where the 2023 Warrants are registered in the name of CDP and where the 2023 Warrants are to be transferred between Depositors, any transfer of such warrants must be transferred in the Depository Register by CDP by way of book-entry.

Rights of Warranholders on Winding-up of the Company : If prior to the expiry of the 2023 Warrants, an effective resolution is passed for a members’ voluntary winding up of the Company, for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement approved by the Warranholders by way of a special resolution, the terms of such scheme of arrangement shall be binding on all the Warranholders and all persons having an interest in the 2023 Warrants.

In any other case, if notice is given by the Company to its members to convene a general meeting for the purposes of considering a members’ voluntary winding-up of the Company, every Warranholder shall be entitled upon and subject to the 2023 Deed Poll, at any time within six (6) weeks after the passing of such resolution for a members’ voluntary winding-up of the Company, by irrevocable surrender of his warrant certificate(s) to the Company with the exercise notice(s) duly completed, together with all payments payable, to elect to be treated as if he had had immediately prior to the commencement of such winding-up exercised the 2023 Warrants to the extent specified in the exercise notice(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.

The Company shall give notice to the Warranholders in accordance with the 2023 Deed Poll of the passing of any such resolution within seven (7) days after the passing thereof.

LETTER TO SHAREHOLDERS

Further Issue	:	Subject to the terms and conditions of the 2023 Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the Warrantheolders shall not have any participating rights in such issue of Shares unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire the Shares.
Share Buy-back	:	Nothing shall prevent or restrict the buy-back of any classes of shares pursuant to applicable laws and the requirements of the SGX-ST.
Warrants Exercise Proceeds	:	In the event that all of the 2023 Warrants are exercised based on the maximum of 222,590,719 2023 Warrants to be issued, the Company expects to raise additional proceeds of approximately S\$11.3 million.
Warrant Agent	:	Boardroom Corporate & Advisory Services Pte. Ltd.
Governing Law	:	Laws of the Republic of Singapore.

The above terms and conditions of the Rights Cum Warrants Issue are subject to such changes as the Directors may deem fit and shall be set out in the 2023 Deed Poll. The final terms and conditions of the Rights Cum Warrants Issue will be set out in the Offer Information Statement to be electronically disseminated to Entitled Shareholders in due course, subject to, *inter alia*, the approval of the Shareholders for the Rights Cum Warrants Issue at the EGM to be convened.

3.6. Eligibility of Shareholders to Participate in the Rights Cum Warrants Issue

(a) Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Cum Warrants Issue and to receive the Offer Information Statement (through electronic dissemination) together with the AREs or PALs, as the case may be, and other accompanying documents at their respective Singapore addresses.

Entitled Depositors who do not receive the Offer Information Statement and the AREs may obtain them from CDP, the Share Registrar or any stockbroking firm during the period from the date the Rights Cum Warrants Issue commences up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement and the PALs may obtain them from the Share Registrar during the period from the date the Rights Cum Warrants Issue commences up to the Closing Date.

LETTER TO SHAREHOLDERS

Entitled Shareholders will be provisionally allotted the Rights Shares with 2023 Warrants under the Rights Cum Warrants Issue on the basis of their shareholdings in the Company as at the Record Date, fractional entitlements to be disregarded. Entitled Shareholders will be at liberty to accept, decline, renounce or trade on the SGX-ST in full or in part (during the rights trading period prescribed by the SGX-ST) their provisional allotment of Rights Shares with 2023 Warrants, and are eligible to apply for Excess Rights Shares with 2023 Warrants. For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renounees) shall be entitled to apply for Excess Rights Shares with 2023 Warrants.

All dealings in, and transactions of, the provisional allotments of Rights Shares with 2023 Warrants through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or effect any change in address must reach CDP not later than three (3) Market Days before the Record Date.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company or the Share Registrar. Entitled Scripholders are reminded that any request to the Company or the Share Registrar to update their records or effect any change in address must reach Beverly JCG Ltd. c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632, not later than 5.00 p.m. (Singapore time) three (3) Market Days before the Record Date. Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and to deposit their share certificates with CDP prior to the Record Date so that their Securities Accounts may be credited by CDP with their Shares and the Rights. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the twelfth (12th) Market Day from the date of lodgement of the share certificates with CDP or such later date subject to the completion of the lodgement process.

For Entitled Depositors (which exclude investors who hold Shares through finance companies or Depository Agents, CPFIS Shareholders and SRS Investors), acceptances of the Rights Shares with 2023 Warrants and (if applicable) applications for Excess Rights Shares with 2023 Warrants may be made through CDP or by way of an electronic application through ATM(s) of a Participating Bank.

The Rights Shares with 2023 Warrants which are not otherwise taken up or allotted for any reason shall be used to satisfy applications for Excess Rights Shares with 2023 Warrants (if any) as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

In the allotment of Excess Rights Shares with 2023 Warrants, preference will be given to the rounding of odd lots, and that Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Cum Warrants Issue, or have representation (direct or through a nominee) on the Board of Directors will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with 2023 Warrants.

LETTER TO SHAREHOLDERS

The Company will not make any allotment and issue of Rights Shares with 2023 Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

Full details of the Rights Cum Warrants Issue, including an indicative timetable of the key events, will be set out in the Offer Information Statement, which will be electronically disseminated to Entitled Shareholders in due course.

(b) Foreign Shareholders

The Offer Information Statement and its accompanying documents relating to the Rights Cum Warrants Issue have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Offer Information Statement and its accompanying documents will not be despatched, or disseminated, as the case may be, to Foreign Shareholders or to any jurisdiction outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Cum Warrants Issue. No provisional allotment of the Rights Shares with 2023 Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also not be electronically disseminated to persons purchasing the provisional allotment of the Rights Shares with 2023 Warrants through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (the “**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares with 2023 Warrants credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renouncee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares with 2023 Warrants renounced to him. The Company further reserves the right to reject any acceptances of the Rights Shares with 2023 Warrants and/or any application for Excess Rights Shares with 2023 Warrants where it believes, or has reason to believe, that such acceptance or application may violate the applicable legislation of any jurisdiction.

The Company reserves the right, but shall not be obliged, to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction; (b) provides an address outside Singapore for the receipt of the physical share certificate(s) for the Rights Shares or which requires the Company to despatch such share certificate(s) to an address in any jurisdiction outside Singapore; or (c) purports to exclude any deemed representation or warranty. The Company further reserves the right to reject any acceptances of Rights Shares with 2023 Warrants and/or applications for Excess Rights Shares with 2023 Warrants where it believes, or has reason to believe, that such acceptances or applications may violate the applicable legislation of any jurisdiction.

LETTER TO SHAREHOLDERS

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares with 2023 Warrants which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares with 2023 Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Record Date and sent to them by means of a crossed cheque at their own risk by ordinary post, or in such other manner as they may have agreed with CDP for payment of any cash distributions. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in connection therewith.

Where such provisional allotments of Rights Shares with 2023 Warrants are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in respect of such sales or proceeds thereof, of such provisional allotments of Rights Shares with 2023 Warrants or the 2023 Warrants represented by such provisional allotments.

If such provisional allotments of Rights Shares with 2023 Warrants cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with 2023 Warrants, the Rights Shares with 2023 Warrants represented by such provisional allotments will be used to satisfy Excess Applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in connection therewith.

Shareholders should note that the special arrangements described above would apply only to Foreign Shareholders. However, the Company reserves the right to make similar arrangements for the Rights which would otherwise have been allotted to certain Entitled Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights commence, where the beneficial holders of such Rights are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Rights Cum Warrants Issue.

LETTER TO SHAREHOLDERS

Notwithstanding the above, Entitled Shareholders and any other person having possession of the Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto at their own expense and without liability to the Company. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares with 2023 Warrants unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other legal requirements in those territories.

Entitled Depositors should note that all correspondences will be sent to their last registered Singapore mailing addresses with CDP. Entitled Depositors should note that any request to CDP to update its records or to effect any change in address should have reached CDP at least three (3) Market Days before the Record Date.

Entitled Shareholders whose Shares are registered in their own names (not being Entitled Depositors) who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Rights Cum Warrants Issue should have provided such an address in Singapore by notifying Beverly JCG Ltd. c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632, before 5.00 p.m. at least three (3) Market Days before the Record Date.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of the Rights Shares with 2023 Warrants and for Excess Applications for the Rights Shares with 2023 Warrants pursuant to the Rights Cum Warrants Issue will be set out in the Offer Information Statement to be electronically disseminated by the Company to Entitled Shareholders in due course.

3.7. Rationale of Rights Cum Warrants Issue and Use of Proceeds

As disclosed in the Company's annual report for the financial year ending 31 December 2022 (the "**Annual Report**"), the Company intends to raise funds to make profitable acquisitions to further support the Company to operate as a going concern. The Company is presently exploring alternative means of fundraising in addition to external borrowings and is undertaking the Rights Cum Warrants Issue to raise funds to strengthen the financial position and capital base of the Group. The Group is cautiously confident that, with an effective strategic plan and a strong management team to execute its plan, the Group is poised to grow successfully and steadily. Post-COVID-19, it is expected that acquisition opportunities may arise involving smaller medical aesthetics companies, which may be suitable for collaboration or may take place beyond Malaysia, where the Group is currently operating. For example, on 25 September 2023, the Group announced the proposed acquisition of the assets owned by BK Hospital Pte. Ltd. This direction is in line with the Company's growth strategy to leverage such opportunities to expand its range of services or provide complementary offerings within the healthcare and wellness industry.

The Rights Cum Warrants Issue will allow the Group to pursue this growth strategy, in addition to providing the Shareholders with an opportunity to further participate in the equity of the Company.

LETTER TO SHAREHOLDERS

The Net Proceeds will be used for future expansion of the Group, as well as for the working capital needs of the Group, which includes the administrative expenses, manpower costs, compliance costs, continuing listing expenses such as professional fees of the Group and settlement of head office expenses for the year. The Net Proceeds, after deducting estimated costs and expenses of S\$300,000 relating to the Rights Cum Warrants Issue, are expected to be approximately S\$7.5 million in the Maximum Subscription Scenario.

As disclosed in the Announcement, the Company intends to use the Net Proceeds in the following manner:

Use of Net Proceeds	Amount (S\$'000)	Percentage of Net Proceeds (%)
1. For general working capital needs	3,750	50
2. For the future expansion of the Group	3,750	50
Total	7,500	100

The additional proceeds arising from the exercise of all of the 2023 Warrants in the Maximum Subscription Scenario is approximately S\$11.3 million (the “**Warrants Exercise Proceeds**”). As and when the 2023 Warrants are exercised, the Warrants Exercise Proceeds may, at the discretion of the Directors, be applied largely in the following manner:

Use of Warrants Exercise Proceeds	Amount (S\$'000)	Percentage of Net Proceeds (%)
1. For general working capital needs	5,650	50
2. For the future expansion of the Group	5,650	50
Total	11,300	100

Pending the deployment of the Net Proceeds and/or the Warrants Exercise Proceeds for the abovementioned purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets instruments and/or marketable securities, and/or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds and/or the Warrants Exercise Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds, and provide a status report on the use of the Net Proceeds and/or the Warrants Exercise Proceeds in the interim and full year financial statements and in the annual report(s) of the Company, until such time such proceeds have been fully utilised. Where the Net Proceeds and/or the Warrants Exercise Proceeds have been used for general corporate and/or working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds and/or the Warrants Exercise Proceeds in the financial statements and annual reports.

Where there is a material deviation in the use of the Net Proceeds and/or the Warrants Exercise Proceeds, the Company will announce the reasons for such deviation.

LETTER TO SHAREHOLDERS

3.8. Review of Past Performance and Working Capital

The profit and loss statements, the cash flow statements, the balance sheets and the working capital position of the Group for FY2020, FY2021, FY2022, 9MFY2022 and 9MFY2023 are set out in **Appendix A** to this Circular.

3.9. Opinion of Directors

- (a) For the purposes of Rule 814(1)(f) of the Catalist Rules, the Directors are of the opinion that, after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Rights Cum Warrants Issue shall be undertaken for the reasons stated in Section 3.7 of this Circular.
- (b) The Directors are of the opinion that, after taking into consideration the rationale for the Rights Cum Warrants Issue as set out in Section 3.7 of this Circular, the Rights Cum Warrants Issue is in the interest of the Company.

3.10. Record Date

Subject to the Shareholders' approval of the Rights Cum Warrants Issue at the EGM to be convened, the Record Date for the purpose of determining the Entitled Shareholders' entitlements under the Rights Cum Warrants Issue will be announced by the Company at a later date.

3.11. Adjustments to the Relevant Outstanding Warrants

As at the Latest Practicable Date, the Company has 4,242,345,562 Relevant Outstanding Warrants. Please refer to Section 2.8 above for more details on the Relevant Outstanding Warrants.

The Rights Cum Warrants Issue will constitute an event giving rise to adjustments to the exercise price payable for each new Share on the exercise of the Relevant Outstanding Warrants and the number of Relevant Outstanding Warrants under the Conditions set out in the Relevant Outstanding Deed Polls.

The adjustments to the Relevant Outstanding Warrants will not result in any material impact on the share capital, NTA per Share and EPS of the Company.

LETTER TO SHAREHOLDERS

In accordance with the provisions of each of the Relevant Outstanding Deed Polls:

- (a) the number of unexercised Relevant Outstanding Warrants will be adjusted, as follows:

Relevant Outstanding Warrant	Number of Adjusted Warrants (Post-Proposed Share Consolidation) ⁽¹⁾	Final Number of Adjusted Warrants
Rest Investments Warrants	19,047,619	20,592,020
Tan Suiying Warrants	6,203,703	6,706,705
DFN Warrants	5,000,000	5,405,405
BW Warrants	3,240,000	3,502,702
2021 Warrants	42,255,588	45,681,716
Dec 2021 Warrants	4,900,000	5,297,297
2022 Warrants	4,200,000	4,540,540

Note:

- (1) The figures are obtained based on the adjustments arising from the Proposed Share Consolidation. Please refer to Section 2.8 above for more details.

- (b) the exercise price of each Relevant Outstanding Warrant will be adjusted, as follows:

Relevant Outstanding Warrant	Post-Proposed Share Consolidation Exercise Price (S\$) ⁽¹⁾	Final Adjusted Exercise Price (S\$)
Rest Investments Warrants	0.07	0.065
Tan Suiying Warrants	0.09	0.090
DFN Warrants	0.09	0.090
BW Warrants	0.10	0.093
2021 Warrants	0.05	0.047
Dec 2021 Warrants	0.05	0.047
2022 Warrants	0.05	0.047

Note:

- (1) The figures are obtained based on the adjustments arising from the Proposed Share Consolidation. Please refer to Section 2.8 above for more details.

LETTER TO SHAREHOLDERS

The abovementioned adjustments will be made pursuant to the Conditions set out in the Relevant Outstanding Deed Polls, i.e. the Company had consulted the auditors and the auditors have certified that such adjustments will be made in accordance with the relevant Conditions set out in the Relevant Outstanding Deed Polls. Copies of (i) the Relevant Outstanding Deed Polls, (ii) the Auditor's Certificate and (iii) the Director's Certificate are available for inspection at the registered office of the Company.

The adjustments to the Relevant Outstanding Warrants will be effective from the close of the Market Day immediately preceding the date on which the Rights Cum Warrants Issue becomes effective. Pursuant to the Conditions of each of the Relevant Outstanding Deed Polls, any adjustment to the exercise price will be rounded upwards to the nearest 1 cent or 0.1 cent, as the case may be, and any adjustment to the number of Relevant Outstanding Warrants held by each Warrantholder will be rounded downwards to the nearest whole Warrant.

Further announcement(s) will be made by the Company in respect of such adjustments, as and when appropriate.

3.12. Adjustments to the Relevant Outstanding Options

As at the Latest Practicable Date, the Company has 38,487,500 Relevant Outstanding Options. Please refer to Section 2.9 above for more details on the Relevant Outstanding Options.

The Rights Cum Warrants Issue will constitute an event giving rise to adjustments to the exercise price payable for each new Share on the exercise of the Relevant Outstanding Options and the number of Relevant Outstanding Options under the Rules of the ESOS.

Under Rule 10.1 of the ESOS, the exercise price, class and number of shares shall be adjusted in a manner as the Committee may determine to be appropriate, with the written confirmation of auditors that the adjustment is fair and reasonable.

The Committee has determined that following the Rights Cum Warrants Issue and based on the number of unexercised Relevant Outstanding Options as at the Latest Practicable Date, adjustments shall be made, as follows:

- (a) the number of unexercised Relevant Outstanding Options shall be adjusted from 769,750¹ on a post-Proposed Share Consolidation basis to 832,162; and
- (b) the exercise price of each Relevant Outstanding Option will be adjusted from S\$1.00² on a post-Proposed Share Consolidation basis to S\$0.925.

¹ This figure is obtained based on the adjustments arising from the Proposed Share Consolidation. Please refer to Section 2.8 above for more details.

² Ibid.

LETTER TO SHAREHOLDERS

The abovementioned adjustments will be made pursuant to the Rules set out in the ESOS, i.e. the Company had consulted the auditors and the auditors have certified that such adjustments will be made in accordance with the relevant Rules set out in the ESOS and are fair and reasonable. Copies of (i) the rules of the ESOS, (ii) the Auditor's Certificate, and (iii) particulars of the adjustments are available for inspection at the registered office of the Company.

The adjustments to the Relevant Outstanding Options will be effective from the close of the Market Day immediately preceding the date on which the Rights Cum Warrants Issue becomes effective. The Company shall notify each participant of the ESOS in writing and deliver to him/her a statement setting forth the new exercise price thereafter in effect and the class and/or the number of Consolidated Shares thereafter to be issued or delivered upon exercise.

3.13. Support from DFN

To show his support and confidence in the Rights Cum Warrants Issue and to demonstrate his commitments in the prospects of the Group going forward, DFN, the Deputy Chairman and Chief Executive Officer and a Controlling Shareholder of the Company, will:

- (a) vote in favour of the resolutions to approve the Proposed Share Consolidation and the Rights Cum Warrants Issue; and
- (b) support and subscribe to the Rights Cum Warrants Issue in a financially meaningful manner to the best of his financial ability to the extent that DFN and his Associates do not trigger any mandatory general offer obligation under the Singapore Code on Take-overs and Mergers.

Depending on the level of subscription for the Rights Shares with 2023 Warrants, the Company will, if necessary, scale down the subscription for the Rights Shares with 2023 Warrants by DFN to avoid placing DFN in the position of incurring a mandatory general offer obligation under the Singapore Code on Take-overs and Mergers as a result of other Shareholders not taking up their Rights Shares with 2023 Warrants entitlements fully.

4. FINANCIAL EFFECTS OF THE RIGHTS CUM WARRANTS ISSUE

4.1. Assumptions

The *pro forma* financial effects of the Rights Cum Warrants Issue are purely for illustration purposes only and do not purport to be indicative or a projection or an estimate of the future results and financial positions of the Company and/or the Group immediately following the completion of the Rights Cum Warrants Issue.

The financial effects are presented herein after taking into account the following assumptions:

- (a) the Maximum Subscription Scenario;
- (b) none of the Relevant Outstanding Warrants are exercised before the completion of the Rights Cum Warrants Issue;

LETTER TO SHAREHOLDERS

- (c) all of the Warrants are exercised after the completion of the Rights Cum Warrants Issue;
- (d) for the purpose of computing the financial effects of the Rights Cum Warrants Issue on the NTA/NTL per Share and gearing of the Group, the Rights Cum Warrants Issue is assumed to have been completed on 31 December 2022; and
- (e) for the purpose of computing the financial effects of the Rights Cum Warrants Issue on the EPS/LPS of the Group, the Rights Cum Warrants Issue is assumed to have been completed on 1 January 2022.

4.2. Share Capital

The financial effects of the Rights Cum Warrants Issue on the share capital of the Group are as follows:

	Before completion of the Rights Cum Warrants Issue as at the Latest Practicable Date	After completion of the Rights Cum Warrants Issue
Number of Shares ⁽¹⁾	582,155,504	1,112,953,602
Share Capital (S\$'000)	84,402	109,548

- (1) The number of issued shares includes the additional shares that were issued pursuant to the recent completion of the Proposed Acquisitions, Proposed Debt Capitalisation and Evolve Share Issuance as per the Company's announcement on 15 September 2023, assuming the shares were issued as at 31 December 2022.

4.3. NTA

The financial effects of the Rights Cum Warrants Issue on the NTA of the Group are as follows:

	Before completion of the Rights Cum Warrants Issue	After completion of the Rights Cum Warrants Issue
NTA attributable to the equity holders of the Company as at 31 December 2022 ⁽¹⁾ (S\$'000)	(1,995)	22,851
Number of Shares ⁽²⁾	582,155,504	1,112,953,602
NTA per Share (S\$ cents)	(0.34)	2.05

- (1) NTA is based on total assets less the sum of total liabilities, intangible assets and non-controlling interest.
- (2) The number of issued shares includes the additional shares that were issued pursuant to the recent completion of the Proposed Acquisitions, Proposed Debt Capitalisation and Evolve Share Issuance as per the Company's announcement on 15 September 2023, assuming the shares were issued as at 31 December 2022.

LETTER TO SHAREHOLDERS

4.4. LPS

The financial effects of the Rights Cum Warrants Issue on the LPS of the Group are as follows:

	Before completion of the Rights Cum Warrants Issue	After completion of the Rights Cum Warrants Issue
Group loss after tax (S\$'000)	2,250	2,550
Weighted average number of Shares (excluding treasury shares) ⁽¹⁾	577,827,354	1,108,625,452
LPS per Share (S\$ cents)	0.39	0.23

(1) The weighted average number of Shares includes the additional shares that were issued pursuant to the recent completion of the Proposed Acquisitions, Proposed Debt Capitalisation and Evolve Share Issuance as per the Company's announcement on 15 September 2023, assuming the shares were issued on 1 January 2022.

4.5. Gearing

The financial effects of the Rights Cum Warrants Issue on the gearing of the Group are as follows:

	Before completion of the Rights Cum Warrants Issue	After completion of the Rights Cum Warrants Issue
Total net borrowings (S\$'000)	1,012	1,012
Shareholders' equity (S\$'000)	(1,121)	23,725
Net gearing (times)	(0.90)	0.04

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, save as disclosed in this Circular, none of the Directors has any interests, direct or indirect, in the Proposed Resolutions (other than through each of their respective shareholding interests in the Company, if any). To the best of the knowledge of the Directors, none of the executive officers or Substantial Shareholders has any interests, direct or indirect, in the Proposed Resolutions (other than through each of their respective shareholding interests in the Company, if any).

LETTER TO SHAREHOLDERS

5.1. Interests in Shares

As at the Latest Practicable Date, the interests of the Directors in the issued and paid-up share capital as recorded in the Register of Directors' Shareholdings maintained pursuant to Section 164 of the Companies Act and the interests of the Substantial Shareholders in the issued and paid-up capital of the Company as recorded in the Register of Substantial Shareholder(s) maintained pursuant to Section 88 of the Companies Act are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	Percentage (%) ⁽¹⁾	Number of Shares	Percentage (%) ⁽¹⁾
Directors				
Dato' Ng Tian Sang @ Ng Kek Chuan ⁽²⁾	3,388,889,068	11.64	4,468,199,607	15.35
Howard Ng How Er	1,752,485,612	6.02	–	–
Yap Siean Sin	60,000,000	0.21	–	–
Kong Sin Seng	–	–	–	–
Cheung Wai Man, Raymond	36,100,009	0.12	–	–
Substantial Shareholders other than Directors				
Rest Investments Ltd	2,857,142,857	9.82	–	–
Chua Chuan Seng ⁽³⁾	5,000	–	2,857,142,857	9.82
Tan Suying ⁽⁴⁾	1,861,111,111	6.39	–	–

Notes:

- (1) Based on the Existing Share Capital of the Company as at the Latest Practicable Date, comprising 29,107,775,223 Shares.
- (2) DFN is deemed to be interested in the Shares held by Datin' Wong Ling Chu, Howard Ng How Er and Alexander Ng Zhonglie.
- (3) As the sole shareholder of Rest Investments Ltd, Chua Chuan Seng is deemed to be interested in the Shares held by Rest Investments Ltd.
- (4) Out of the 1,861,111,111 Shares described as direct interests of Tan Suying, 1,583,333,333 Shares have no voting rights.

LETTER TO SHAREHOLDERS

5.2. Interests in Convertible Securities

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in convertible securities of the Company are as follows:

	Direct Interest		Deemed Interest	
	Number of Convertible Securities	Number of Shares that may arise from the conversion of the Convertible Securities	Number of Convertible Securities	Number of Shares that may arise from the conversion of the Convertible Securities
Directors				
Dato' Ng Tian Sang @ Ng Kek Chuan ⁽¹⁾	701,961,174	701,961,174	199,665,675	199,665,675
Howard Ng How Er	107,184,160	107,184,160	–	–
Yap Siean Sin	5,000,000	5,000,000	–	–
Kong Sin Seng	–	–	–	–
Cheung Wai Man, Raymond	2,500,009	2,500,009	–	–
Substantial Shareholders other than Directors				
Rest Investments Ltd	952,380,952	952,380,952	–	–
Chua Chuan Seng ⁽²⁾	–	–	952,380,952	952,380,952
Tan Suying	310,185,185	310,185,185	–	–

Notes:

- (1) DFN is deemed to be interested in the convertible securities held by Datin' Wong Ling Chu, Howard Ng How Er and Alexander Ng Zhonglie.
- (2) As the sole shareholder of Rest Investments Ltd, Chua Chuan Seng is deemed to be interested in the convertible securities held by Rest Investments Ltd.

LETTER TO SHAREHOLDERS

6. RECOMMENDATION BY THE DIRECTORS

6.1. Proposed Share Consolidation

The Directors, having considered and reviewed, among other things, the rationale and benefits of the Proposed Share Consolidation and all other relevant information set out in this Circular, are of the opinion that the Proposed Share Consolidation is in the best interest of the Shareholders and the Group. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Ordinary Resolution 1 relating to the Proposed Share Consolidation as set out in the Notice of EGM.

6.2. Proposed Rights Cum Warrants Issue

The Directors, having considered and reviewed, among other things, the rationale and benefits of the Rights Cum Warrants Issue and all other relevant information set out in this Circular, are of the opinion that the Rights Cum Warrants Issue is in the best interest of the Shareholders and the Group. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Ordinary Resolution 2 relating to the Rights Cum Warrants Issue as set out in the Notice of EGM.

6.3. Note to Shareholders

Shareholders, in deciding whether to vote in favour of the Proposed Resolutions, are advised to read this Circular carefully in its entirety, including the terms and conditions, rationale and financial effects of the Proposed Share Consolidation and the Rights Cum Warrants Issue. In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who may require specific advice should consult his or her stockbroker, bank manager, solicitor, accountant or other professional adviser(s).

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 67 to 73 of this Circular, will be held on 11 December 2023 at 3:00 p.m. at Connection 4, Level 3, Amara Hotel, 165 Tanjong Pagar Road, Singapore 088539 for the purpose of considering and, if thought fit, passing with or without any modifications, the Proposed Resolutions set out in the Notice of EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote at the EGM on their behalf shall complete and sign the attached Proxy Form in accordance with the instructions printed thereon and return it to Beverly JCG Ltd. c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632, not less than forty-eight (48) hours before the time fixed for the holding of the EGM. The completion and return of the Proxy Form by a Shareholder will not preclude him from attending the EGM and voting in person in place of his proxy or proxies should he subsequently wishes to do so.

LETTER TO SHAREHOLDERS

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least seventy-two (72) hours before the time appointed for holding the EGM.

This Circular is available on the Company's website at <https://www.beverlyjcg.com/investor-relations/announcements/> and on SGXNET at www.sgx.com/securities/company-announcements. A member will need an internet browser and PDF reader to view these documents. Printed copies of this Circular will also be despatched to Shareholders today.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Rights Cum Warrants Issue and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

10. CONSENT

The Manager has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, and all references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 160 Robinson Road, #05-08, SBF Centre, Singapore 068914 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the constitution of the Company;
- (b) the annual reports of the Company for FY2020, FY2021 and FY2022;
- (c) the Relevant Outstanding Deed Polls;
- (d) the 2023 Deed Poll;
- (e) the Auditor's Certificate;
- (f) the Director's Certificate;

LETTER TO SHAREHOLDERS

- (g) the rules of the ESOS; and
- (h) the Manager's letter of consent referred to in Section 10 of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
BEVERLY JCG LTD.

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

**APPENDIX A – FINANCIAL INFORMATION AND REVIEW
OF PAST PERFORMANCE**

Consolidated Statement of Profit or Loss and Comprehensive Income

	FY2020 Audited S\$'000	FY2021 Audited S\$'000	FY2022 Audited S\$'000	9MFY 2022 Unaudited S\$'000	9MFY 2023 Unaudited S\$'000
Revenue	5,446	8,974	10,510	8,011	6,290
Cost of sales	(3,001)	(4,608)	(4,769)	(3,894)	(2,780)
Gross profit	2,445	4,366	5,741	4,117	3,510
Other income	427	654	151	90	90
Other losses – net					
– Loss allowances on trade receivables	(42)	–	(141)	–	–
– Property, plant and equipment written off/disposal	(71)	(11)	–	–	–
– Others	22	(54)	(14)	–	–
Expenses					
– Distribution	(220)	(204)	(258)	(161)	(176)
– Administrative	(7,517)	(7,490)	(7,662)	(5,937)	(5,021)
– Finance	(174)	(275)	(246)	(204)	(219)
Loss before income tax	(5,130)	(3,014)	(2,429)	(2,095)	(1,816)
Income tax credit	249	158	179	134	59
Loss from continuing operations	(4,881)	(2,856)	(2,250)	(1,961)	(1,757)
Loss from discontinued operations	(373)	–	–	–	–
Total loss	(5,254)	(2,856)	(2,250)	(1,961)	(1,757)
Other comprehensive loss:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Currency translation differences arising from consolidation					
– (Loss)/gain	(22)	3	15	13	(7)
Other comprehensive (loss)/gain, net of tax	(22)	3	15	13	(7)

**APPENDIX A – FINANCIAL INFORMATION AND REVIEW
OF PAST PERFORMANCE**

	FY2020 Audited S\$'000	FY2021 Audited S\$'000	FY2022 Audited S\$'000	9MFY 2022 Unaudited S\$'000	9MFY 2023 Unaudited S\$'000
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Currency translation differences arising from consolidation					
– Losses	(20)	–	–	–	–
Other comprehensive losses, net of tax	(20)	–	–	–	–
Total comprehensive loss	<u>(5,296)</u>	<u>(2,853)</u>	<u>(2,235)</u>	<u>(1,948)</u>	<u>(1,764)</u>
Total loss attributable to:					
Equity holders of the Company	(4,250)	(2,500)	(2,115)	(1,778)	(1,657)
Non-controlling interests	(1,004)	(356)	(135)	(183)	(100)
	<u>(5,254)</u>	<u>(2,856)</u>	<u>(2,250)</u>	<u>(1,961)</u>	<u>(1,757)</u>
Total comprehensive loss attributable to:					
Equity holders of the Company	(4,272)	(2,497)	(2,100)	(1,765)	(1,664)
Non-controlling interests	(1,024)	(356)	(135)	(183)	(100)
	<u>(5,296)</u>	<u>(2,853)</u>	<u>(2,235)</u>	<u>(1,948)</u>	<u>(1,764)</u>
Loss per share for loss attributable to equity holders of the Company (cents per share)					
Basic and diluted loss per share	<u>(0.03)</u>	<u>(0.02)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.01)</u>

**APPENDIX A – FINANCIAL INFORMATION AND REVIEW
OF PAST PERFORMANCE**

Consolidated Balance Sheets

	FY2020 Audited S\$'000	FY2021 Audited S\$'000	FY2022 Audited S\$'000	9MFY 2023 Unaudited S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	293	913	908	662
Trade and other receivables	752	924	814	789
Inventories	412	407	477	539
	<u>1,457</u>	<u>2,244</u>	<u>2,199</u>	<u>1,990</u>
Assets of disposal group classified as held for sale	3,869	–	–	–
	<u>5,326</u>	<u>2,244</u>	<u>2,199</u>	<u>1,990</u>
Non-current assets				
Property, plant and equipment	5,955	5,018	4,515	3,728
Intangible assets	1,439	1,054	668	2,051
	<u>7,394</u>	<u>6,072</u>	<u>5,183</u>	<u>5,779</u>
Total assets	<u>12,720</u>	<u>8,316</u>	<u>7,382</u>	<u>7,769</u>
LIABILITIES				
Current liabilities				
Trade and other payables	3,995	4,471	4,005	3,524
Income tax payable	–	18	10	6
Lease liabilities	785	616	758	793
Borrowings	808	980	879	1,379
	<u>5,588</u>	<u>6,085</u>	<u>5,652</u>	<u>5,702</u>
Liabilities directly associated with disposal group classified as held for sale	258	–	–	–
	<u>5,846</u>	<u>6,085</u>	<u>5,652</u>	<u>5,702</u>
Non-current liabilities				
Lease liabilities	2,053	1,643	1,743	1,294
Borrowings	580	299	1,041	48
Deferred income tax liabilities	401	242	67	10
	<u>3,034</u>	<u>2,184</u>	<u>2,851</u>	<u>1,352</u>
Total liabilities	<u>8,880</u>	<u>8,269</u>	<u>8,503</u>	<u>7,054</u>
NET ASSETS/(LIABILITIES)	<u>3,840</u>	<u>47</u>	<u>(1,121)</u>	<u>715</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	71,623	72,994	73,887	84,402
Settlement shares and warrants receivables	–	(3,557)	(3,557)	(3,557)
Other reserves	1,867	3,039	3,149	(3,717)
Accumulated losses	(70,191)	(72,691)	(74,806)	(76,463)
	<u>3,299</u>	<u>(215)</u>	<u>(1,327)</u>	<u>665</u>
Non-controlling interests	541	262	206	50
Total equity	<u>3,840</u>	<u>47</u>	<u>(1,121)</u>	<u>715</u>

**APPENDIX A – FINANCIAL INFORMATION AND REVIEW
OF PAST PERFORMANCE**

Consolidated Statement of Cash Flows

	FY2020 Audited S\$'000	FY2021 Audited S\$'000	FY2022 Audited S\$'000	9MFY2023 Unaudited S\$'000
Cash flows from operating activities				
Total loss	(5,254)	(2,856)	(2,250)	(1,757)
Adjustments for:				
– Income tax credit	(280)	(158)	(179)	(59)
– Loss allowances on trade receivables	42	–	141	–
– Amortisation of intangible assets	459	385	386	1
– Depreciation of property, plant and equipment	1,916	1,575	1,531	1,042
– Professional fee by issuance of shares	–	–	–	125
– Property, plant and equipment written-off	71	11	–	–
– Rent concessions	(96)	(180)	–	–
– Gain due to modification of lease	(37)	(143)	–	–
– Reversal of provision of loss allowance	–	(6)	–	–
– Trade payables written off	(22)	–	–	–
– Loss on disposal of subsidiary corporation	–	54	–	–
– Loss recognised on remeasurement of disposal group to fair value less cost to sell	193	–	–	–
– Interest income	(9)	–	–	–
– Finance expenses	174	275	246	219
– Unrealised currency translation losses/(gain)	123	(109)	279	245
	<u>(2,720)</u>	<u>(1,152)</u>	<u>154</u>	<u>(184)</u>
Change in working capital, net of effects from acquisition and disposal of subsidiary corporations:				
– Trade and other receivables	536	(172)	(38)	287
– Inventories	124	5	(70)	3
– Trade and other payables	1,482	642	(1,068)	(4)
	<u>(578)</u>	<u>(677)</u>	<u>(1,022)</u>	<u>102</u>
Cash (used in)/from operations				
– Interest expense – bank overdrafts	–	(23)	(28)	(11)
– Interest received	9	–	–	–
– Income tax refunded/(paid)	(101)	17	–	(4)
	<u>(670)</u>	<u>(683)</u>	<u>(1,050)</u>	<u>87</u>
Net cash used in/from operating activities				
Cash flows from investing activities				
– Purchase of property, plant and equipment	(544)	(325)	(113)	(77)
	<u>(544)</u>	<u>(325)</u>	<u>(113)</u>	<u>(77)</u>
Net cash used in investing activities				

**APPENDIX A – FINANCIAL INFORMATION AND REVIEW
OF PAST PERFORMANCE**

	FY2020 Audited S\$'000	FY2021 Audited S\$'000	FY2022 Audited S\$'000	9MFY2023 Unaudited S\$'000
Cash flows from financing activities				
– Bank deposit discharged	1,422	10	–	–
– Bank deposit pledged	(705)	(101)	(78)	(214)
– Net proceeds from share subscription	800	658	600	–
– Proceeds from right issue	–	1,882	–	–
– Proceeds from conversion of warrants	7	–	–	–
– Effect of disposing part of interest in a subsidiary	–	37	–	–
– Non-controlling interest contribution	–	40	5	–
– Proceeds from advances	–	–	735	–
– Proceeds from borrowings	1,317	393	1,031	852
– Proceeds from overdraft	–	–	330	–
– Repayment of lease liabilities	(1,017)	(871)	(1,076)	(687)
– Repayment of borrowings	(143)	(323)	(720)	(272)
– Interest paid	(51)	(49)	(78)	(208)
Net cash provided by/(used in) financing activities	1,630	1,676	749	(529)
Net increase/(decrease) in cash and cash equivalents	416	668	(414)	(519)
Cash and cash equivalents				
Beginning of financial year/period	(297)	121	789	384
Effects of currency translation on cash and cash equivalents	2	–	9	–
End of financial year/period	121	789	384	(135)

REVIEW OF PERFORMANCE

FY2021 compared to FY2020

i) Revenue

The Group's revenue from its trading and distribution business for FY2021 was S\$0.17 million, a decrease of 32% or S\$0.04 million as compared to the revenue of S\$0.13 million for FY2020. This was due to weakening market demand, reduction in steel production in Asia region and increasing competition.

The aesthetic medical and healthcare segment recorded a revenue of S\$8.80 million for FY2021, an increase of S\$3.49 million compared to FY2020 of S\$5.31 million. The lower level of revenue recorded in FY2020 was due to the commencement of the Movement Control Order (“MCO”) in Malaysia in March 2020 arising from the Covid-19 pandemic. Increased marketing efforts in 2021 such as the launch of BW Elite Club program and the Premium Beauty Package program in 2021 which offered attractive promotions, discounts, products and benefits, helped to capture market share and expand the Group's customer base and increase the revenue in FY2021. Increasing digital marketing efforts in search engine marketing (“SEM”) and search engine optimization (“SEO”) and engagement of

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

influencers to reach out to more customers on social media helped to further boost revenue in FY2021. Apart from that, new entities incorporated in 2020 and 2021, 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 S\$0.95 million of revenue to the Group in FY2021 as compared to S\$0.05 million for FY2020.

ii) Cost of sales

The increase in cost of sales was in line with the increase in revenue in trading and distribution as well as aesthetic medical and healthcare businesses.

iii) Gross profit

The Group's gross profit from operations increased by 79% or S\$1.92 million from S\$2.45 million in FY2020 to S\$4.37 million in FY2021, mainly due to increase in revenue in the aesthetic medical and healthcare segment.

iv) Other income

Other income increased by S\$0.22 million from S\$0.43 million in FY2020 to S\$0.65 million in FY2021 mainly due to increase in rent concession, gain on modification of lease, vaccination service fee income, rental income from sublet of office and medical centre in Malaysia and shared service fee income of S\$0.29 million and partially offset by decrease in government grants and fixed deposit interest income of S\$0.10 million.

v) Other losses

Other losses decreased by S\$0.02 million from S\$0.09 million in FY2020 to S\$0.07 million in FY2021 due to decrease in property, plant and equipment written-off of S\$0.06 million and no loss allowances on trade receivables of S\$0.04 million, offset by loss on deconsolidation of Brand X of S\$0.05 million in FY2021.

vi) Selling and distribution expenses

Selling and distribution expenses decreased by S\$0.02 million from S\$0.22 million in FY2020 to S\$0.20 million in FY2021. The decrease was mainly due to reversal of over accrued digital marketing expenses such as SEM and SEO incurred in FY2021.

vii) Administrative expenses

Administrative expenses decreased by S\$0.03 million from S\$7.52 million in FY2020 to S\$7.49 million in FY2021. The administrative expenses incurred in FY2021 were mainly operational costs, including staff costs, directors' remunerations and professional fees. The decrease was mainly due to decrease in amortisation of right-of-use asset of S\$0.14 million due to partial termination of lease and adjustment in lease amounts of medical centres, Beverly Wilshire Medical Centre Sdn Bhd and Beverly Wilshire Medical Centre (JB) Sdn Bhd in Malaysia.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

viii) Finance expenses

Finance expenses increased by S\$0.10 million or 58% from S\$0.17 million in FY2020 to S\$0.27 million in FY2021. The increase was mainly due to increase in interest expense on lease of S\$0.08 million from S\$0.12 million in FY2020 to S\$0.20 million in FY2021 due to additions of lease liabilities for medical centres for Natasha Beverly Sdn Bhd and Beverly Ipoh Sdn Bhd which were entities newly incorporated in FY2020.

ix) Depreciation of property, plant and equipment

Depreciation of property, plant and equipment decreased by S\$0.34 million or 18% from S\$1.92 million in FY2020 to S\$1.58 million in FY2021 mainly due to decrease in the carrying amount of the right-of-use asset arising from lease modification as a result of partial termination of lease and adjustment in lease amounts of our medical centres, Beverly Wilshire Medical Centre Sdn Bhd and Beverly Wilshire Medical Centre (JB) Sdn Bhd in Malaysia. Accordingly, there is a decrease in amortization of right-of-use asset. This decrease is partially offset by additions of property, plant and equipment comprising primarily dental and medical equipment and renovation.

x) Assets

Total assets of the Group decreased by S\$4.40 million from S\$12.72 million as at 31 December 2020 to S\$8.32 million as at 31 December 2021 mainly due to:

- decrease in property, plant and equipment of S\$0.90 million mainly due to depreciation of S\$1.58 million during the financial year ended 31 December 2021, partially offset by additions of property, plant and equipment amounting to S\$0.68 million during the financial year ended 31 December 2021;
- decrease in intangible assets of S\$0.39 million due to amortisation of trademark/brand during the financial year ended 31 December 2021;
- decrease in assets of disposal group classified as held for sale amounting to S\$3.87 million due to Brand X being de-consolidated from 1 January 2021;
- offset by increase in cash and cash equivalents of S\$0.62 million from S\$0.29 million as at 31 December 2020 to S\$0.91 million as at 31 December 2021 due to the net proceeds from the 2021 Rights Cum Warrants issue and share placement of S\$1.88 million and S\$0.66 million respectively, offset by cash used in operating activities, investing activities and other financing activities; and
- increase in trade and other receivables of S\$0.17 million and decrease in inventories of S\$0.01 million which are in line with the increase in level of sales activities in FY2021.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

xi) Liabilities

Total liabilities decreased by S\$0.61 million from S\$8.88 million as at 31 December 2020 to S\$8.27 million as at 31 December 2021 mainly due to:

- decrease in lease liabilities of S\$0.58 million mainly due to repayment of lease liabilities for offices and medical centres;
- decrease in deferred income tax liabilities arising from fair value adjustments to the intangible assets and property, plant and equipment of Beverly Wilshire Medical Centre Group in Malaysia of S\$0.16 million due to recognition as deferred tax credit in the income statement during the financial year ended 31 December 2021;
- decrease in borrowings of S\$0.11 million mainly arising from decrease in bank loan and bank overdraft of S\$0.23 million and S\$0.18 million respectively and offset by increase in invoice financing of S\$0.30 million respectively;
- decrease in liabilities of \$0.25 million associated with deconsolidation of Brand X; and
- offset by increase in trade and other payables of S\$0.48 million mainly due to increase in advances from customers and accruals for operating expenses of S\$0.81 million and S\$0.24 million respectively and offset by decrease in other payables of S\$0.57 million.

xii) Cash flow

Net cash used in operating activities in FY2021 amounted to S\$0.68 million. The operating cash outflows before movement in working capital was S\$1.15 million. The net cash inflows from the changes in working capital of approximately S\$0.47 million was mainly due to increase in trade and other payables of S\$0.64 million, offset by an increase in trade and other receivables of S\$0.17 million.

Net cash used in investing activities for FY2021 amounted to S\$0.33 million due to the purchase of property, plant and equipment.

Net cash generated from financing activities for FY2021 amounted to S\$1.68 million due to proceeds from rights issue, share subscription, borrowings, non-controlling interest contribution and bank deposit discharged of S\$1.88 million, S\$0.66 million, S\$0.39 million, S\$0.08 million and S\$0.01 million respectively and offset by repayment of lease liabilities, borrowings, bank deposit pledged and interest paid of S\$0.87 million, S\$0.32 million, S\$0.10 million and S\$0.05 million respectively.

As a result of the above, cash and cash equivalents were S\$0.79 million as at 31 December 2021 as compared to S\$0.12 million as at 31 December 2020.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

FY2022 compared to FY2021

i) Revenue

The Group registered a revenue of S\$10.51 million for FY2022, an increase of S\$1.54 million, or 17%, compared with the S\$8.97 million recorded in FY2021. The increase in the Group's revenue was mainly attributed to the increase in revenue from its aesthetic medical and healthcare segment of S\$1.27 million, or 14%, from S\$8.80 million in FY2021 to S\$10.07 million in FY2022.

Revenue from the Group's trading and distribution segment for FY2022 was S\$0.44 million, an increase of S\$0.27 million compared with FY2021.

ii) Cost of sales

Cost of sales increased by S\$0.16 million or 3% from S\$4.61 million in FY2021 to S\$4.77 million in FY2022, in tandem with the increase in revenue.

iii) Gross profit

Gross profit increased by S\$1.37 million or 31% from S\$4.37 million in FY2021 to S\$5.74 million in FY2022, mainly due to the increase in revenue from the aesthetic medical and healthcare segment.

iv) Other income

Other income decreased by S\$0.50 million from S\$0.65 million in FY2021 to S\$0.15 million in FY2022, mainly due to the absence of rent concessions, gain from modification of lease and government grants received under the jobs support scheme.

v) Other losses

Other losses, net increased by S\$0.09 million from S\$0.07 million in FY2021 to S\$0.16 million in FY2022, mainly due to the provision of loss allowances on trade receivables.

vi) Selling and distribution expenses

Selling and distribution expenses increased by S\$0.06 million from S\$0.20 million in FY2021 to S\$0.26 million in FY2022, mainly due to an increase in marketing expenses incurred, such as search engine optimization and social media marketing expenses in FY2022.

vii) Administrative expenses

Administrative expenses increased by S\$0.17 million or 2% from S\$7.49 million in FY2021 to S\$7.66 million in FY2022, in tandem with the increase in revenue. The administrative expenses incurred during FY2022 were mainly operational costs, including staff costs and professional fees.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

viii) Finance expenses

Finance expenses decreased by S\$0.03 million from S\$0.28 million in FY2021 to S\$0.25 million in FY2022, mainly due to a decrease in interest expenses on lease liabilities.

ix) Depreciation of property, plant and equipment

Depreciation of property, plant and equipment decreased by S\$0.05 million or 3% from S\$1.58 million in FY2021 to S\$1.53 million in FY2022 mainly due to decrease in the carrying amount of the right-of-use asset, partially offset by additions of property, plant and equipment comprising primarily medical and laboratory equipment.

x) Assets

Current assets decreased by 2%, from S\$2.24 million as at 31 December 2021 to S\$2.20 million as at 31 December 2022, mainly due to a decrease in trade and other receivables, offset by an increase in inventories.

Trade and other receivables decreased by 12%, from S\$0.92 million as at 31 December 2021 to S\$0.81 million as at 31 December 2022, mainly due to the provision of loss allowances on trade receivables.

Non-current assets decreased by 15%, from S\$6.07 million as at 31 December 2021 to S\$5.18 million as at 31 December 2022, mainly due to a decrease in property, plant and equipment and intangible assets.

Property, plant and equipment decreased by 10%, from S\$5.02 million as at 31 December 2021 to S\$4.52 million as at 31 December 2022, mainly due to depreciation in FY2022, which was partially offset by additions of property, plant and equipment.

Intangible assets decreased by 37%, from S\$1.05 million as at 31 December 2021 to S\$0.67 million as at 31 December 2022, mainly due to the amortisation of trademark/brand in FY2022.

xi) Liabilities

Current liabilities decreased by 7%, from S\$6.08 million as at 31 December 2021 to S\$5.65 million as at 31 December 2022. The decrease was mainly due to a decrease in (i) trade and other payables of S\$0.47 million and (ii) borrowings of S\$0.10 million, which was partially offset by an increase in lease liabilities of S\$0.14 million.

Non-current liabilities increased by 31%, from S\$2.18 million as at 31 December 2021 to S\$2.85 million as at 31 December 2022, mainly due to an increase in borrowings of S\$0.74 million and lease liabilities of S\$0.10 million, offset by a decrease in deferred income tax liabilities of S\$0.17 million due to recognition of deferred tax credit in the income statement for the financial year ended 31 December 2022, arising from fair value adjustments to intangible assets and property, plant and equipment.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

xii) Cash flow

Net cash used in operating activities in FY2022 amounted to S\$1.05 million due to operating cash inflows before movements in working capital of S\$0.15 million, adjusted for net cash outflows from working capital changes of S\$1.20 million.

Net cash outflows from working capital of S\$1.20 million were mainly due to decrease in trade and other payables of S\$1.07 million, increase in inventories of S\$0.07 million, net decrease in trade and other receivables of S\$0.04 million and payment of interest expenses of S\$0.02 million in FY2022.

Net cash used in investing activities amounted to S\$0.11 million. This was mainly due to the purchase of medical equipment, computer hardware and software.

Net cash generated from financing activities for FY2022 amounted to S\$0.75 million. This was mainly due to net proceeds from share subscription of S\$0.60 million, proceeds from advances, borrowings and overdraft of S\$0.74 million, S\$1.03 million and S\$0.33 million respectively, offset by repayment of lease liabilities, borrowings, bank deposit pledged and interest paid of S\$1.08 million, S\$0.72 million, S\$0.08 million and S\$0.07 million respectively.

Overall cash and cash equivalents decreased by S\$0.41 million from S\$0.79 million in FY2021 to S\$0.38 million in FY2022.

9MFY2023 compared to 9MFY2022/FY2022

i) Revenue

The Group registered a revenue of S\$6.29 million for the nine months ended 30 September 2023 (“**9MFY2023**”), a decrease of S\$1.72 million, or 21%, compared with the S\$8.01 million recorded in the corresponding period ended 30 September 2022 (“**9MFY2022**”). The decrease in the Group’s revenue was attributed to the decrease in revenue from its aesthetic medical and healthcare segment, as well as the trading and distribution segment.

The decrease in revenue from its aesthetic medical and healthcare segment of S\$1.48 million, or 19%, from S\$7.67 million in 9MFY2022 to S\$6.19 million in 9MFY2023 was mainly due to decrease in revenue from its Natasha group entities and Beverly Dentistree Sdn Bhd (the “**Natasha Group**”) as the Group has changed the business model for its Natasha Group to reduce operating costs and expenses, and has engaged third parties for rental income and revenue share to generate net income for the Group.

The revenue from trading and distribution segment for 9MFY2023 was S\$0.10 million, a decrease of S\$0.24 million or 71% compared to the revenue of S\$0.34 million in 9MFY2022.

ii) Cost of sales

Cost of sales decreased by S\$1.11 million from S\$3.89 million in 9MFY2022 to S\$2.78 million in 9MFY2023, in tandem with the decrease in revenue.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

iii) Gross profit

Gross profit decreased by S\$0.61 million from S\$4.12 million in 9MFY2022 to S\$3.51 million in 9MFY2023, mainly due to the decrease in revenue from its Natasha Group.

Gross profit margin increased from 51% in 9MFY2022 to 56% in 9MFY2023 as more higher margin procedures were performed in 9MFY2023.

iv) Selling and distribution expenses

Selling and distribution expenses increased by S\$0.02 million from S\$0.16 million in 9MFY2022 to S\$0.18 million in 9MFY2023, mainly due to increase in marketing expenses incurred, such as search engine optimization and social media marketing expenses.

v) Administrative expenses

Administrative expenses decreased by S\$0.92 million or 15% from S\$5.94 million in 9MFY2022 to S\$5.02 million in 9MFY2023, mainly due to decrease in operating costs from its Natasha Group.

vi) Finance expenses

Finance expenses increased by S\$0.02 million from S\$0.20 million in 9MFY2022 to S\$0.22 million in 9MFY2023, mainly due to increase in interest expenses on borrowings and advances.

vii) Depreciation of property, plant and equipment

Depreciation of property, plant and equipment decreased by S\$0.11 million or 9% from S\$1.15 million in 9MFY2022 to S\$1.04 million in 9MFY2023 mainly due to decrease in the carrying amount of the right-of-use asset and partially offset by additions of property, plant and equipment comprising primarily medical equipment, computer hardware and software.

viii) Assets

Current assets decreased by 10%, from S\$2.20 million as at 31 December 2022 to S\$1.99 million as at 30 September 2023, mainly due to a decrease in cash and cash equivalents and trade and other receivables, offset by increase in inventories.

Non-current assets increased by 11%, from S\$5.18 million as at 31 December 2022 to S\$5.78 million as at 30 September 2023, mainly due to an increase in intangible assets of S\$1.39 million arising from the acquisition of Beverly Bangsar Pte Ltd, offset by a decrease in property, plant and equipment of S\$0.79 million.

Property, plant and equipment decreased by 17%, from S\$4.52 million as at 31 December 2022 to S\$3.73 million as at 30 September 2023, mainly due to depreciation in 9MFY2023, offset by additions arising from the acquisition of Beverly Bangsar Sdn Bhd.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

ix) Liabilities

Current liabilities increased by 1%, from S\$5.65 million as at 31 December 2022 to S\$5.70 million as at 30 September 2023, mainly due to an increase in borrowings and lease liabilities of S\$0.53 million, offset by a decrease in trade and other payables of S\$0.48 million.

Non-current liabilities decreased by 53%, from S\$2.85 million as at 31 December 2022 to S\$1.35 million as at 30 September 2023, mainly due to a decrease in borrowings of S\$0.99 million, lease liabilities of S\$0.45 million and deferred income tax liabilities of S\$0.06 million.

x) Cash flow

Net cash from operating activities in 9MFY2023 amounted to S\$0.09 million due to operating cash outflows before movements in working capital of S\$0.18 million, adjusted for net cash inflows from working capital changes of S\$0.27 million.

Net cash inflows from working capital of S\$0.27 million was a result of decrease in trade and other receivables of S\$0.29 million, offset by decrease in trade and other payables of S\$0.01 million and payment for interest expenses and Income tax of S\$0.01 million.

Net cash used in investing activities amounted to S\$0.08 million, mainly due to the purchase of property, plant and equipment.

Net cash used in financing activities amounted to S\$0.53 million, mainly due to proceeds from borrowings of S\$0.85 million, offset by repayments of borrowings of S\$0.27 million, repayment of lease liabilities of S\$0.69 million, bank deposit pledged of S\$0.21 million and interest paid of S\$0.21 million.

Consequently, overall cash and cash equivalents decreased by S\$0.52 million in 9MFY2023.

REVIEW OF WORKING CAPITAL

The working capital of the Group as at 31 December 2020, 31 December 2021, 31 December 2022 and 30 September 2023 are as follows:

	FY2020	FY2021	FY2022	9MFY2023
	Audited	Audited	Audited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Total current assets	5,326	2,244	2,199	1,990
Total current liabilities	5,846	6,085	5,652	5,702
Net current liabilities	(520)	(3,841)	(3,453)	(3,712)

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

FY2021 compared to FY2020

Total current assets of the Group decreased by S\$3.08 million from S\$5.32 million as at 31 December 2020 to S\$2.24 million as at 31 December 2021. This was mainly due to the absence of S\$3.87 million in the assets of disposal group classified as held for sale as at 31 December 2020. The decrease in total current assets was slightly offset by an increase in cash and cash equivalents of S\$0.62 million and an increase in trade and other receivables of S\$0.17 million.

Total current liabilities increased by S\$0.23 million from S\$5.85 million as at 31 December 2020 to S\$6.08 million as at 31 December 2021 mainly due to an increase in trade and other payable of S\$0.48 million as a result of advances received from customers for aesthetic services to be delivered and performed. The increase in total current liabilities was also affected by increase in borrowings of S\$0.17 million. However, it was offset by a decrease in lease liabilities and liabilities directly associated with disposal group classified as held for sale of S\$0.16 million and S\$0.26 million respectively.

As a result of the above, the net current liabilities position increased by S\$3.32 million from S\$0.52 million as at 31 December 2020 to S\$3.84 million as at 31 December 2021.

FY2022 compared to FY2021

Total current assets of the Group slightly decreased by S\$0.04 million from S\$2.24 million as at 31 December 2021 to S\$2.20 million as at 31 December 2022. This was mainly due to decrease in trade and other receivables of S\$0.11 million and offset by increase in inventories of S\$0.07 million.

Total current liabilities decreased by S\$0.43 million from S\$6.08 million as at 31 December 2021 to S\$5.65 million as at 31 December 2022. It was due to decrease in trade and other payables and borrowings of S\$0.47 million and S\$0.10 million respectively. It was offset by the increase in lease liabilities of S\$0.14 million.

As a result of the above, the net current liabilities position decreased by S\$0.39 million from S\$3.84 million as at 31 December 2021 to S\$3.45 million as at 31 December 2022.

9MFY2023 compared to FY2022

Total current assets of the Group decreased by S\$0.21 million from S\$2.20 million as at 31 December 2022 to S\$1.99 million as at 30 September 2023. This was due to decrease in cash and cash equivalents and trade and other receivables of S\$0.24 million and S\$0.03 million respectively and offset by increase in inventories of approximately S\$0.06 million.

Total current liabilities increased by S\$0.05 million from S\$5.65 million as at 31 December 2022 to S\$5.70 million as at 30 September 2023. This was mainly due to increase in borrowings and lease liabilities of S\$0.50 million and S\$0.04 million respectively. The increase was offset by decrease in trade and other payables and current income tax liabilities of S\$0.48 million and S\$0.01 million respectively.

As a result of the above, the net current liabilities position increased by S\$0.26 million from S\$3.45 million as at 31 December 2022 to S\$3.71 million as at 30 September 2023.

NOTICE OF EXTRAORDINARY GENERAL MEETING

BEVERLY JCG LTD.

(Incorporated in Singapore)
(Unique Entity Number 200505118M)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (“**EGM**”) of Beverly JCG Ltd. (the “**Company**”) will be held on 11 December 2023 at 3:00 p.m. at Connection 4, Level 3, Amara Hotel, 165 Tanjong Pagar Road, Singapore 088539 for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

*All capitalised terms in this Notice which are not defined herein shall have the same meaning as ascribed to them in the Company’s circular dated 24 November 2023 (the “**Circular**”). This Notice of EGM has also been made available on SGXNet and the Company’s website, which may be accessed at www.sgx.com/securities/company-announcements and at <https://www.beverlyjcg.com/investor-relations/announcements/>.*

ORDINARY RESOLUTION 1:

THE PROPOSED SHARE CONSOLIDATION OF EVERY FIFTY (50) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS AS AT THE PROPOSED SHARE CONSOLIDATION RECORD DATE (AS DEFINED HEREIN) INTO ONE (1) CONSOLIDATED SHARE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

RESOLVED THAT:

- (a) approval be and is hereby given for the Proposed Share Consolidation of every fifty (50) existing Shares each held by Shareholders as at the Proposed Share Consolidation Record Date into one (1) Consolidated Share, fractional entitlements to be disregarded, and the number of Consolidated Shares which Shareholders will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the existing Shares as at the Proposed Share Consolidation Record Date, will be rounded down to the nearest whole Consolidated Share;
- (b) approval be and is hereby given for fractions of a Consolidated Share arising from the Proposed Share Consolidation to be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company;
- (c) the Directors and each of them be and are hereby authorised to fix the Proposed Share Consolidation Record Date and the Proposed Share Consolidation Effective Trading Date at such time and on such date as they may deem fit in the interests of the Company; and
- (d) the Directors and each of them be and are hereby authorised to take such steps, do all such acts and things (including but not limited to finalising, approving and executing all such documents as may be required and making amendments or modifications to documents or otherwise) and to exercise such discretion as they and/or he/she may in their absolute discretion deem fit, advisable or to give full effect to this Ordinary Resolution 1.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2:

THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 222,590,719 NEW ORDINARY SHARES (THE “RIGHTS SHARES”) IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.035 PER RIGHTS SHARE, WITH UP TO 222,590,719 FREE DETACHABLE WARRANTS, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY THREE (3) CONSOLIDATED SHARES IN THE CAPITAL OF THE COMPANY AT THE RECORD DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED, AND ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED;

RESOLVED THAT, subject to and contingent upon the passing of Ordinary Resolution 1, the renounceable non-underwritten rights cum warrants issue of up to 222,590,719 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at the issue price of S\$0.035 per Rights Share, with up to 222,590,719 free detachable warrants (the “**2023 Warrants**”), with each 2023 Warrant carrying the right to subscribe for one (1) new ordinary share (“**Warrant Share**”) in the capital of the company at an exercise price of S\$0.051 per Warrant Share, on the basis of one (1) Rights Share for every three (3) Consolidated Shares in the capital of the Company held by the shareholders of the Company (the “**Shareholders**”) at a time and date to be determined (the “**Record Date**”), and one (1) 2023 Warrant for every one (1) Rights Share subscribed, fractional entitlements to be disregarded (the “**Rights Cum Warrants Issue**”), be and is hereby approved and authority be and is hereby given to the Board of Directors of the Company to:

- (a) create and issue:
 - (i) such number of Rights Shares as the Directors may determine, up to 222,590,719 Rights Shares at an issue price of S\$0.035 for each Rights Share;
 - (ii) such number of 2023 Warrants as the Directors may determine, up to 222,590,719 free detachable 2023 Warrants in registered form to be issued together with the Rights Shares, each such 2023 Warrant to entitle the holder thereof to subscribe for one (1) Warrant Share at an exercise price of S\$0.051 for each Warrant Share at any time during the period commencing on the date of issue of the 2023 Warrants and expiring at 5.00 p.m. on the date immediately preceding the third (3rd) anniversary of the date of issue of the 2023 Warrants subject to the terms and conditions of the deed poll (the “**2023 Deed Poll**”) constituting the 2023 Warrants to be executed by the Company on such terms and conditions as the Directors may deem fit; and
 - (iii) such further warrants as may be required or permitted to be issued in accordance with the terms and conditions of the 2023 Deed Poll (any such further warrants to rank *pari passu* with the 2023 Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the 2023 Deed Poll);
- (b) provisionally allot and issue up to 222,590,719 Rights Shares with up to 222,590,719 free detachable 2023 Warrants at an issue price of S\$0.035 for each Rights Share on the basis of one (1) Rights Share for every three (3) Consolidated Shares in the capital of the Company held by the Shareholders as at the Record Date, and one (1) free 2023 Warrant for every one (1) Rights Share, fractional entitlements to be disregarded; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
- (i) up to 222,590,719 Warrant Shares on the exercise of the 2023 Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the 2023 Deed Poll, such Warrant Shares (when issued and paid) to rank *pari passu* in all respects with the then existing shares of the Company (save as may otherwise be provided in the terms and conditions of the 2023 Deed Poll) save for any dividends, rights, allotments or other distributions the record date for which falls before the date of issue of the Warrant Shares; and
 - (ii) on the same basis as paragraph (c)(i) above, such further ordinary shares in the capital of the Company as may be required to be allotted and issued on the exercise of any of the 2023 Warrants referred to in paragraph (a)(iii) above,

on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may deem fit:

- A. the provisional allotments of the Rights Shares with 2023 Warrants under the Rights Cum Warrants Issue shall be made on a renounceable basis to the Shareholders whose names appear in the Register of Members of the Company or the records of the Central Depository (Pte) Limited (“**CDP**”) as at the Record Date with registered addresses in Singapore or who have, at least three (3) market days prior to the Record Date, provided to the CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents, on the basis of one (1) Rights Share for every three (3) Consolidated Shares in the capital of the Company then held by the Shareholders, and one (1) 2023 Warrant for every one (1) Rights Share subscribed or in such other proportions as the Directors may deem fit;
- B. no provisional allotment of the Rights Shares with 2023 Warrants shall be made in favour of Shareholders with registered addresses outside Singapore as at the Record Date or who have not, at least three (3) market days prior thereto, provided to the CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”);
- C. the entitlements to the Rights Shares with 2023 Warrants which would otherwise accrue to Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the rights entitlements relating thereto to Purchasers of the provisional allotment of the Rights Shares with 2023 Warrants traded on the SGX-ST through the book-entry (scripless) settlement system thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Record Date provided that if the amount to be distributed to any single Foreign Shareholder is less than \$10.00, such amount shall instead be retained or dealt with for the sole benefit of the Company;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- D. the entitlements to the Rights Shares with 2023 Warrants not taken up or allotted for any reason (other than allotments to Foreign Shareholders referred to above) shall be used to satisfy Excess Applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company; and
- E. the Rights Shares when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

and the Directors be and are hereby authorised to take such steps, do all such acts and things, make such amendments to the terms of the Rights Cum Warrants Issue, the Rights Shares, the 2023 Warrants and the Warrant Shares, and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

BY ORDER OF THE BOARD

24 November 2023

Dato' Ng Tian Sang @ Ng Kek Chuan

Deputy Chairman and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) The members of the Company are invited to attend physically at the EGM. There will be no option for shareholders to participate virtually. Documents in relation to this Circular (including the Circular, Notice of EGM and the Proxy Form) will be made available on SGXNET at www.sgx.com/securities/company-announcements and on the Company's website at <https://www.beverlyjcg.com/investor-relations/announcements/>. Printed copies of this notice of EGM ("**Notice of EGM**") and the Proxy Form will be sent to members via post.
- (2) Members (including Central Provident Fund ("**CPF**") Investment Scheme members ("**CPF Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**")) may participate in the EGM by:
 - (a) attending the EGM in person;
 - (b) raising questions at the EGM or submitting questions in advance of the EGM; and/or
 - (c) voting at the EGM (i) themselves personally; or (ii) through a prox(ies) or the Chairman of the EGM.

CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 29 November 2023, being seven (7) working days prior to the date of the EGM.

In the event members encounter Covid-19 like symptoms or are feeling unwell prior to the EGM, members are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy(ies) to attend the EGM. We encourage members to mask up when attending the EGM.

Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

- (3) A member who is not a Relevant Intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the EGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

Where such member appoints two (2) proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.

- (4) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant Intermediary" has the meaning prescribed to it in Section 181 of the Companies Act:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence holder to provide custodial services under the SFA and who holds shares in that capacity; or
 - (c) the CPF Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.
- (5) A member can appoint the Chairman of the EGM as his/her/its proxy **but** this is **not mandatory**.

If a member wishes to appoint the Chairman of the EGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the EGM as proxy. If no specific direction is given as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (6) The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be deposited in the following manner:
- (a) if sent by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or
 - (b) if by electronic mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamd@boardroomlimited.com,

in either case, not less than forty-eight (48) hours before the time set for the EGM, and in default the instrument of proxy shall not be treated as valid.

The instrument appointing a proxy(ies) must be signed by the appointer or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy(ies) is signed on behalf of the appointer by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

The Company shall be entitled to reject the instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy.

In the case of a member whose shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the SFA), the Company may reject any instrument of proxy lodged if such member, being the appointer, is not shown to have any shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time set for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

- (7) Members may raise questions at the EGM and/or submit questions related to the Resolutions to be tabled for approval at the EGM, in advance of the EGM. For members who would like to submit questions in advance of the EGM, they may do so by 5.00 p.m. on 1 December 2023:
- (a) in hard copy by sending by post and lodging the same at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or
 - (b) by email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamd@boardroomlimited.com.

Members will need to identify themselves when posing questions by email or by mail by providing the following details:

- (a) the member's full name as it appears on his/her/its CDP/CPF/SRS share records;
- (b) the member's NRIC/Passport/UEN number;
- (c) the member's contact number and email address; and
- (d) the manner in which the member holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM as received from members before the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company will publish the responses made during the EGM to such questions together with the minutes of the EGM on SGXNET and the Company's website at <https://www.beverlyjcg.com/investor-relations/announcements/> within one (1) month after the date of the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof or by attending the EGM and/or any adjournment thereof, submitting any details of Relevant Intermediary Participants in connection with the EGM or submitting any questions to the Company, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service provider) of the appointment of the Chairman of the EGM as proxy, submission of questions and pre-registration of members for the EGM (including any adjournment thereof) and the preparation, compilation and publication of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the Relevant Intermediary Participants to the Company (or its agents), the member has obtained the prior consent of such Relevant Intermediary Participants for the collection, use and disclosure by the Company (or its agents or service provider) of the personal data of such Relevant Intermediary Participants for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

PROXY FORM

EXTRAORDINARY GENERAL MEETING BEVERLY JCG LTD.

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

This Proxy Form has also been made available on SGXNet and the Company's website.

IMPORTANT

1. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPF/SRS investors who wish to vote should contact their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 29 November 2023.

I/We _____ (Name) _____ (NRIC/Passport/Company Registration Number*)
of _____ (Address)
being a *member/members of **Beverly JCG Ltd.** (the "Company") hereby appoint:

Name	Address	NRIC or Passport No.	Email Address**	Proportion of Shareholdings	
				No. of Shares	%

*and/or

Name	Address	NRIC or Passport No.	Email Address**	Proportion of Shareholdings	
				No. of Shares	%

or failing him/her/them*, the Chairman of the Extraordinary General Meeting ("EGM"), as my/our proxy(ies) to attend, speak and vote for me/us on my/our behalf at the EGM of the Company to be held at Connection 4, Level 3, Amara Hotel, 165 Tanjong Pagar Road, Singapore 088539 on Monday, 11 December 2023 at 3.00 pm and at any adjournment thereof.

*I/We direct my/our proxy(ies) to vote for or against the resolutions or abstain from the resolutions to be proposed at the EGM as indicated hereunder.

No.	Ordinary Resolution	For	Against	Abstain
1.	Ordinary Resolution 1 To approve the Proposed Share Consolidation			
2.	Ordinary Resolution 2 To approve the Rights Cum Warrants Issue			

(The resolutions put to vote at the EGM shall be decided by poll. Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the resolutions or to abstain from voting on a resolution as set out in the Notice of EGM. Alternatively, if you wish to exercise some and not all of your votes both "For" and "Against" the relevant resolution and/or to abstain from voting in respect of the relevant resolution, please indicate the number of shares in the boxes provided. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.**)

*Please delete accordingly

Dated this _____ day of 2023.

Number of Shares held in

CDP Register	
Member's Register	
TOTAL	

Signature of Shareholder(s) or Common Seal

Important: Please read notes overleaf

PROXY FORM

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the SFA), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members of the Company, he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members of the Company, he/she/it should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member of the Company.

2. A member who is not a Relevant Intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the EGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

Where such member appoints two (2) proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.

3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in this Proxy Form.

“**Relevant Intermediary**” has the meaning prescribed to it in Section 181 of the Companies Act:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence holder to provide custodial services under the SFA and who holds shares in that capacity; or
- (c) the CPF Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

The proxy need not be a member of the Company. Please note that if any of your shareholdings are not specified in the list provided by the Relevant Intermediary to the Company, the Company has the sole discretion to disallow the participation of the said proxy at the forthcoming EGM.

A member can appoint the Chairman of the EGM as his/her/its proxy but this is **not mandatory**.

4. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his/her/its attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notorially certified copy thereof, must be deposited in the following manner:

- (a) if sent by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or
- (b) if submitted by email, be received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamd@boardroomlimited.com,

in either case, by 3.00 pm on 9 December 2023 (being not less than forty-eight (48) hours before the time appointed for holding the EGM) and in default the instrument of proxy shall not be treated as valid.

6. Please indicate with a cross [X] in the spaces provided whether you wish your vote(s) to be for or against the Resolution(s) or to abstain from voting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the meeting.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

8. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the meeting as certified by The Central Depository (Pte) Limited to the Company.

9. Completion and return of this Proxy Form by a member will not prevent him/her/it from attending, speaking and voting at the EGM if he/she/it so wishes. The appointment of the proxy(ies) for the EGM will be deemed to be revoked if the member attends the EGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the EGM.

10. An investor who buys shares using CPF monies (“**CPF Investor**”) and/or SRS monies (“**SRS Investor**”) (as may be applicable) should not make use of this Proxy Form and should instead approach their respective Relevant Intermediary as soon as possible to specify voting instructions. CPF Investors/SRS Investors who wish to vote should approach their respective CPF Agent Bank/SRS Operator at least seven (7) working days before the EGM (i.e. by 5.00 pm on 29 November 2023), to ensure that their votes are submitted.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 24 November 2023.