

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

**ENTRY INTO UNWINDING AND SETTLEMENT AGREEMENT
IN RELATION TO THE ACQUISITION OF BRAND X LAB PTE. LTD.,
A WHOLLY-OWNED SUBSIDIARY OF BEVERLY JCG LTD.**

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Beverly JCG Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements on 12 March 2019, 13 March 2019, 4 April 2019 and 15 April 2019 (the “**Previous Announcements**”) in relation to the acquisition by the Company from Tan Suying (“**TSY**”) of all 100% of the issued and fully paid up ordinary shares in the capital of Brand X Lab Pte. Ltd. (“**BXL**”), representing 100,000 ordinary shares (the “**Sale Shares**”) in the issued and paid-up share capital of BXL (the “**Acquisition**”).

The Board wishes to announce that the Company has on 16 February 2021 entered into an unwinding and settlement agreement (the “**Agreement**”) with TSY in respect of the mutual agreement by TSY and the Company to unwind the Acquisition on the terms and subject to the conditions of the Agreement, such unwinding being full and final settlement of any outstanding rights and obligations as between the Parties (the “**Proposed Unwinding and Settlement**”).

2. INFORMATION ON THE PROPOSED UNWINDING AND SETTLEMENT

The information on TSY was provided by TSY and/or extracted from publicly available sources. In respect of such information, the Company and the Directors have not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

2.1 Information on BXL

BXL is a wholly-owned subsidiary of the Company incorporated and existing under the laws of Singapore. The principal activities of BXL are those of event organisation and promotion as well as business and management consultancy services. BXL was originally acquired by the Company from TSY on 15 April 2019 for a total of 1,861,111,111 ordinary shares (the “**Consideration Shares**”) issued out of the capital of the Company (“**Shares**” and each a “**Share**”) at an issue price of S\$0.0018 per Share and 310,185,185 warrants (“**Warrants**” and each a “**Warrant**”) convertible into Shares at an exercise price of S\$0.0018 per Warrant. Please refer to the Previous Announcements for more details on the Acquisition.

Based on the unaudited financial statements of the Group as at 30 September 2020, the book value of BXL recorded in the Group's balance sheet was approximately S\$3,831,000 and the net tangible asset ("NTA") value and net loss of BXL were approximately S\$278,000 and S\$179,000.

2.2 Information on TSY

TSY is a substantial shareholder of the Company holding, as at the date of this announcement, a shareholding interest of approximately 11.77% in the Company constituted by a total of 1,861,111,111 Shares. In addition, TSY is also a holder of 310,185,185 Warrants.

Upon Completion (as defined below), TSY will hold 277,777,778 Shares, representing a shareholding interest in the Company of approximately 1.76%, assuming the Company's issued and paid-up share capital is represented by 15,811,689,664 Shares upon Completion. TSY will also hold 26,296,297 Warrants.

In addition to being a holder of Shares and Warrants as stated above, TSY is currently the executive director of BXL.

2.3 Rationale for and Benefits of the Proposed Unwinding and Settlement

The decision to undertake the Proposed Unwinding and Settlement arises from a strategic review of the long-term strategy and direction of the Group, as well as after taking into account the general performance and the mid- to longer-term outlook in terms of the financial performance and business prospects of BXL. Pursuant to such a strategic review, the Company is of the view that it would be beneficial to the Group and its shareholders in the longer term to unwind the Acquisition, particularly in light of the following:

- (a) With the acquisition in November 2019 of the Beverly Wilshire group of companies specialising in medical aesthetic treatments, healthy ageing wellness and regenerative therapies, cosmetic surgery, dental aesthetics and hair restoration, the primary focus of the Group is on the expansion of its healthcare business as the Group's core business given that healthcare businesses command an attractive PE multiple on the Singapore Exchange Securities Trading Limited (the "SGX-ST") and other bourses internationally;
- (b) Whilst BXL had generated and contributed to the Group a revenue of approximately S\$1.2 million for the financial year ended 31 December 2019 and a revenue of approximately S\$127,000 for the 9 months financial period ended 30 September 2020, the overall performance of BXL has not been as good as originally envisaged at the time of acquisition of BXL by the Company in April 2019 due to, in particular, the unprecedented and continuing effect and impact of the COVID-19 pandemic on the overall business and operations of BXL. In addition, BXL had generated a net loss of approximately S\$29,000 for the financial year ended 31 December 2019 and a net loss of approximately S\$179,000 for the 9 months financial period ended 30 September 2020. It is noted that in determining the aggregate consideration for the acquisition of BXL, the Company had then taken into account the net profits of BXL as recorded for the financial year ended 31 December 2018 ("FY2018"). For more details on the Acquisition, please refer to the Previous Announcements;
- (c) The Acquisition was originally entered into as the Company had identified the business of BXL as being synergistic with and complementary to the Company's existing medical

aesthetics and healthcare business. However, in light of an assessment performed on the prospects of BXL in the upcoming years, in particular, with the unprecedented and continuing effect and impact of the COVID-19 pandemic on the overall business and operations of BXL, there is doubt in the ability of BXL to generate significant revenues and to record net profits that are closer to (if not equal to or more than) the revenue and net profit recorded for FY2018, financial figures that were taken into consideration when the purchase consideration of S\$3,350,000 was negotiated and agreed upon; and

- (d) With the Proposed Unwinding and Settlement, the resources of the Group can be focused on the Group's core business as noted in Paragraph 2.3(a) above.

For the reasons stated above and after having considered the financial effects of the Proposed Unwinding and Settlement on the financial position of the Group, the Board has determined that it is in the best interests of the Company to unwind the Acquisition of BXL by the Company on and subject to the terms set out in the Agreement.

2.4 Principal terms of the Agreement

2.4.1 Overview of the Proposed Unwinding and Settlement

Subject to the terms and conditions of the Agreement, the Company and TSY irrevocably agree to unwind the Acquisition as follows:

- (a) Subject to and upon completion of the Proposed Unwinding and Settlement ("**Completion**"), TSY shall and irrevocably undertakes to return for cancellation or procure the return of, or make available for disposal by the Company of, **1,583,333,333** Consideration Shares (such shares, the "**Affected Shares**", and such return or disposal, the "**Affected Shares Return**") by way of, and to the extent permissible under law, the Catalist Rules of the SGX-ST and the Constitution of the Company:
 - (i) selective off-market share buy-back in accordance with Section 76D of the Companies Act (Chapter 50) of Singapore (the "**Companies Act**") and subject always to due compliance with and observation of the applicable provisions of the Catalist Rules of the SGX-ST and the Constitution of the Company; or
 - (ii) capital reduction pursuant to Division 3A (Part IV) of the Companies Act, and subject always to due compliance with and observation of the applicable provisions of the Catalist Rules of the SGX-ST and the Constitution of the Company; or
 - (iii) such other transaction methodology and structure as the Company may propose, agree and deem appropriate to achieve an effective unwinding of the Acquisition, and subject always to the extent permissible under law, the Catalist Rules of the SGX-ST and the Constitution of the Company and due compliance with and observation of the applicable provisions thereof ("**Other Transactional Structure**");
- (b) Subject to and upon Completion, TSY shall deliver back to the Company for cancellation of **263,888,888** Warrants held by TSY (such warrants, the "**Affected Warrants**" and such cancellation, the "**Warrants Cancellation**");

- (c) TSY shall be entitled to retain **277,777,778** Consideration Shares held by TSY and **26,296,297** Warrants held by TSY (“**Retained Shares and Warrants**”);
- (d) The Company shall, as legal and beneficial owner, dispose of the Sale Shares to TSY free from all encumbrances and together with all rights and advantages now and hereafter attaching thereto including all dividends and distributions declared, made or paid on or after Completion with respect to the Sale Shares; and
- (e) Where pursuant to any Other Transactional Structure involving the sale, exchange or disposal of the Affected Shares as a form or part of the Affected Shares Return, cash and/or other consideration (the “**Other Transactional Consideration**”) is or are payable or paid on account of such sale, exchange or disposal of the Affected Shares, TSY irrevocably and unconditionally agrees and accepts that such Other Transactional Consideration shall be paid or otherwise delivered to the Company (or to the Company’s order at its sole and absolute discretion) for the Company’s own account and benefit without any requirement to account to TSY.⁽¹⁾

Note:

- (1) As the amount of cash and/or other consideration that may or may not be paid pursuant to such Other Transaction Consideration is uncertain at this point in time, it is not meaningful to disclose the use of such proceeds. However, in the event that there is any cash and/or other consideration that may be paid, the Company will update shareholders in a separate announcement, including as to the use of such sale proceeds.

The terms of the Proposed Unwinding and Settlement were arrived at on an arms’ length basis, taking into account, among other things, the following factors:

- (a) the poorer than envisaged financial performance of BXL since the Acquisition as described in Paragraph 2.3(b) of this announcement;
- (b) the financial contributions of BXL to the Group’s overall financial performance and financial position for the financial year ended 31 December 2019 and 9 months financial period ended 30 September 2020, including the recorded net tangible assets value of approximately S\$565,000 and S\$278,000 respectively; and
- (c) the rationale and benefits to the Company for the Proposed Unwinding and Settlement as set out in Paragraph 2.3 of this announcement.

Based on the book value of BXL recorded as of 30 September 2020 of S\$3,831,000 (as previously stated in Paragraph 2.1 of this announcement), the estimated net loss on Completion of the Proposed Unwinding and Settlement is approximately S\$220,000, being the deficit of the proceeds over the book value of BXL.⁽¹⁾

Note:

- (1) Based on the loss arising from the deficit of the market value of the Affected Shares of S\$3,167,000 computed based on the volume weighted average price of S\$0.002 per Share on 15 February 2021 over the net asset value of the Sale Shares of approximately S\$3,831,000 as at 30 September 2020,

and offset by the gain on cancellation of the Affected Warrants amounting to approximately S\$444,000.

As the Warrants were issued on a nil-paid basis at the time of the original acquisition of BXL by the Company in April 2019, the Warrants Cancellation is to be effected similarly on a nil-paid basis.

2.4.2 Completion

The Company's Obligations

- (a) On Completion, the Company shall transfer to TSY (and/or her nominee, as TSY may direct) the Sale Shares and record (as well as file the requisite notification of transfer with the Accounting and Corporate Regulatory Authority) the transfer of the Sale Shares from the Company to TSY.
- (b) Subject to Completion taking place, the Company and TSY agree that the date of effective transfer of any and all rights and entitlements as well as any and all obligations attached to the Sale Shares shall be 1 January 2021 provided that Completion takes place on or before 31 December 2021. In all other case, date of effective transfer shall be the date of Completion.

TSY's Obligations

Against the performance by the Company of its above obligations, TSY shall:

- (a) deliver and surrender to the Company the original share certificate(s) relating to the Affected Shares; and
- (b) deliver and surrender to the Company the original warrant certificate(s) relating to the Affected Warrants.

2.4.3 Right to Terminate the Agreement

If Completion does not take place on or before the date falling twelve (12) months from the date of the Agreement, or such later date as the Company and TSY may mutually agree in writing due to the inability of the Company for any reason whatsoever to deliver the Sale Shares to TSY, TSY shall be entitled (but not obliged) to terminate the Agreement by written notice to the Company, such termination to take effect five (5) business days immediately after the receipt of such notice.

2.4.4 Pre-Completion Obligations

- (a) Save in so far as otherwise agreed or consented to by the Company and pending Completion, TSY agrees and undertakes to do or procure to be done the following:
 - (i) where TSY has deposited all or any of the Affected Shares into a direct securities account maintained with the Central Depository (Pte) Limited (as the depository) or in the name of a depository agent (as a sub-account holder), TSY shall submit the necessary application or give the requisite instructions to the Central Depository (Pte) Limited or the relevant depository agent to withdraw physical

securities from the depository against the credit balance in TSY's securities account or sub-account for the purposes of delivering the share certificate(s) for Completion;

- (ii) within one (1) Business Day from the receipt of the share certificate(s) referred to in Paragraph 2.4.5(a)(i) above (or if the Affected Shares are already in scrip form as at the time of signing of the Agreement, within five (5) Business Days from the date of the Agreement), deliver to the Company's legal counsel:
 - (I) all the original share certificate(s) relating to the Affected Shares;
 - (II) all the original warrant certificate(s) relating to the Affected Warrants;
 - (III) irrevocable written instructions from TSY (in form and substance reasonably acceptable to the Company) to the effect that the share certificate(s) and warrant certificate(s) referred to above are: (x) to be held by the Company's legal counsel pending and strictly for the Completion; and (y) to be returned to TSY only in the event of termination of the Agreement;
 - (iii) not enter into any commitment, agreement or arrangement to encumber, sell transfer, dispose of or otherwise deal with the Affected Shares and the Affected Warrants, nor will TSY create or permit to subsist any security or other adverse interest or encumbrance over the Affected Shares and the Affected Warrants;
 - (iv) refrain from exercising or otherwise waiving the right to subscribe for ordinary shares or any other securities to be or proposed to be issued out of the capital of the Company in TSY's capacity as a holder or beneficial owner of the Affected Shares or Affected Warrants provided that this obligation shall cease immediately in the event of termination of the Agreement;
 - (v) refrain from exercising any voting rights in TSY's capacity as a holder or beneficial owner of the Consideration Shares or Consideration Warrants that may adversely affect or compromise the transactions contemplated under the Agreement (including without limit refraining from voting against any proposals put forward by the Company in connection with or for the purposes of the transactions contemplated under the Agreement);
 - (vi) not to demand for the repayment of the loan of S\$150,000 advanced by BXL to the Company including any interest accrued thereon and subject to Completion, to waive such repayment ("**Loan Waiver**"); and
 - (vii) render such assistance and provide such information and shall procure that BXL renders such assistance and provides such information to the Company as the Company may direct and as may be necessary for the Company to make the necessary filings and obtain the necessary approvals and clearances with the relevant authorities in connection with the transactions contemplated hereunder.
- (b) Save in so far as otherwise agreed or consented to by TSY and pending Completion, the Company agrees and undertakes to deliver or procure to be done the following:
- (i) deliver to the Company's legal counsel all original share certificate(s) evidencing the title and ownership to the Sale Shares;

- (ii) deliver to the Company's legal counsel duly executed but undated transfer form(s) in respect of the Sale Shares in favour of TSY or her nominees(s);
- (iii) deliver to the Company's legal counsel irrevocable written instructions from the Company (in form and substance reasonably acceptable to TSY) to the effect that the share certificate(s) and transfer form(s) referred to above are: (x) to be held by the Company's legal counsel pending and strictly for the Completion; and (y) to be returned to the Company only in the event of termination of the Agreement; and
- (iv) not enter into any commitment, agreement or arrangement to encumber, sell transfer, dispose of or otherwise deal with the Sale Shares, nor will the Company create or permit to subsist any security or other adverse interest or encumbrance over the Sale Shares.

2.5 TSY's Power of Attorney

2.5.1 In connection with the Agreement and the Proposed Unwinding and Settlement, TSY had on 16 February 2021 granted a power of attorney (the "**Power of Attorney**") in favour of the Directors (other than Dato' Ng Tian Sang @ Ng Kek Chuan, Howard Ng How Er and any Directors who are associates of Dato' Ng Tian Sang @ Ng Kek Chuan and/or Howard Ng How Er or who are substantial shareholders of the Company but including the existing members of the Board (namely, Ang Kok Huan, Lam Lee G, Yap Siean Sin and Cheung Wai Man, Raymond) and any new or replacement Directors that may be appointed from time to time) acting collectively or jointly in a group of at least three (3), to do and execute for TSY and in her name all acts, matters and things that may be expedient or necessary (as more particularly described below), subject always to the completion of the transfer by the Company, as legal and beneficial owner, of the Sale Shares to TSY free from all encumbrances and together with all rights and advantages attaching thereto including all dividends and distributions declared, made or paid on or after the completion with respect to the Sale Shares.

2.5.2 Pursuant to the Power of Attorney, TSY had appointed the Directors (other than Dato' Ng Tian Sang @ Ng Kek Chuan, Howard Ng How Er and any Directors who are associates of Dato' Ng Tian Sang @ Ng Kek Chuan and/or Howard Ng How Er or who are substantial shareholders of the Company but including the existing members of the Board (namely, Ang Kok Huan, Lam Lee G, Yap Siean Sin and Cheung Wai Man, Raymond) and any new or replacement Directors that may be appointed from time to time) acting collectively or jointly in a group of at least three (3), to be her true and lawful attorney for her and in her name to do and execute all or any of the following acts, deeds and things and hereby ratify and endorse all those things which such attorney may do or cause to be done; that is to say, subject to and conditional on completion of the transfer of the Sale Shares to TSY:

- (a) generally to exercise full control (other than in respect of voting rights) over any and all of the Affected Shares, being 1,583,333,333 ordinary shares of the Company (to the extent that they continue to be held by or in the name of TSY) including but not limited to the rights to manage, control, operate, improve, transfer, sell, mortgage, create security interest over, lien, repurchase, cancel and dispose of the Affected Shares absolutely in any manner that such attorney may in his absolute discretion see fit and without any obligation to give reasons or justification as if the Affected Shares were the assets and property of such attorney absolutely;

- (b) to receive, call upon, recover, collect and otherwise take the benefit of any and all income or capital benefit from any and all of the Affected Shares including but not limited to trading income and passive income of any source, as if that income and capital were the property of such attorney absolutely and without any obligation to give reasons or justification for his actions;
- (c) to agree, negotiate and make any agreement, promise or undertaking concerning the Affected Shares with any third party whether written or not and on such terms and for such consideration as such attorney may in his absolute discretion see fit;
- (d) to settle and make payment of any and all debts, taxes, charges, professional fees and other obligations or liabilities due from or owing by TSY as holder whether by payment of cash or by the transfer, assignment or sale of the Affected Shares or any of them;
- (e) to sue or bring other legal action on TSY's behalf against any third party for whatever reason such attorney may in his absolute discretion see fit and to settle said legal action by any means such attorney may see fit including the making and accepting of out of court settlements;
- (f) to appear in TSY's name and in her stead before any competent court and legal or public authority whether in Singapore or elsewhere including but not limited to the Inland Revenue Authority of Singapore and Accounting and Corporate Regulatory Authority of Singapore;
- (g) to sign and execute on TSY's behalf any and all documents and formalities which such attorney in his absolute discretion considers to be necessary to or conducive to the execution of any of the powers set out in the Power of Attorney including but not limited to the executing and signing of deeds, contracts, agreements, declarations, mortgages;
- (h) without prejudice to the generality of the foregoing powers, specifically and generally in respect of the Affected Shares:
 - (i) in connection with any Other Transactional Structure, to sell and absolutely dispose of all and singular TSY's ownership, right, title and interest in or to the Affected Shares either by private contract or in such manner as such attorney may think proper for such price as to such attorney may seem reasonable, and subject to such exceptions reservations covenants and conditions, if any, as such attorney may think fit;
 - (ii) to receive and upon the receipt of the consideration or sale proceeds for the same or any part thereof to give a good receipt therefor which receipt shall wholly exonerate the person paying such money from seeing to the application thereof or being responsible for the loss or misapplication thereof as well as to deal with such consideration or sale proceeds in a manner as such attorney shall deem fit for the benefit the Company;
 - (iii) to sign and seal and deliver any deed, transfer or instrument in writing and to do every other thing whatsoever which may be necessary or proper for carrying any agreement for the sale into complete effect and execution in such manner that all

TSY's ownership, right, title and interest in or to the Affected Shares may be effectually and absolutely transferred to the purchaser or purchasers thereof;

- (iv) to do all such acts matters and things including the commencing and prosecuting or defending of any proceedings in connection with any contract for the sale of the Affected Shares or any part thereof or the rescission of any such contract or the recovery of any deposit or other money paid thereunder or any matter or thing incidental to the completion of any such contract;
- (v) to accept for TSY and in her name service of any writ, summons, notices or other legal process and to enter an appearance to defend or oppose or deal with any action or other legal proceedings that may be brought against TSY in connection with the Affected Shares and to make any counter-claim therein and to give such notices, make such claims and to commence any action or other legal proceedings for such relief as such attorney or his advisers shall think necessary for the recovery preservation or protection of the Affected Shares or TSY's rights thereto and to prosecute, discontinue or compromise any such action or proceedings and to appeal against any judgment or decisions of any court or tribunal in any such action or proceedings and to appear before any magistrate, judge or officer in connection with any such action or proceedings; and
- (vi) generally to do all such acts and things as may be necessary or expedient in connection with the selling or disposing of the Affected Shares as fully and effectively as TSY herself could do;
- (i) to generally enter into, execute, sign, seal and deliver all agreements, contracts, notices, deeds, documents and letters as well as to generally give such confirmation, indemnity and undertaking necessary and proper for effectively doing or causing to be done any or all of the acts and things which such attorney is by the Power of Attorney empowered to do; and
- (j) in connection with any matter arising herein to consult, employ and remunerate accountants, lawyers, estate agents, valuers and surveyors as such Attorney shall think fit and at the cost of the Company.

2.5.3 The powers created by the Power of Attorney shall be valid and irrevocable for the period of six (6) years from the date of the Power of Attorney.

3. RELATIVE FIGURES UNDER RULE 1006

Based on the latest announced consolidated financial statements of the Group for the nine months ended 30 September 2020 ("3Q2020"), the relative figures of the Proposed Unwinding and Settlement as computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST are as follows:

Rule 1006 Bases of calculation	Relative figure %
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(a)	The net asset value of the assets to be disposed of, as compared with the Group's net asset value	74.37 ⁽¹⁾
(b)	The net profits/loss attributable to the assets acquired or disposed of, compared with the Group's net profits/loss	3.90 ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	10.49 ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) Based on the net asset value of the Sale Shares of approximately S\$3,831,000 and the Group's net asset value of approximately S\$5,151,000, as at 30 September 2020.
- (2) Based on the unaudited net loss attributable to the Sale Shares of approximately S\$162,000 for the nine-month period ended 30 September 2020 and the Group's unaudited net loss of approximately S\$4,152,000 for the nine-month period ended 30 September 2020. Net profit/loss is defined to be profit or loss before income tax, minority interests and extraordinary items.
- (3) Based on the market value of the Affected Shares of S\$3,167,000 and the Loan Waiver compared to the Company's market capitalization of approximately S\$31,623,000. The market value of the Affected Shares was computed based on volume weighted average price of S\$0.002 per Share on 15 February 2021. The market capitalisation of the Company was computed based on its existing share capital of 15,811,689,664 ordinary shares in the capital of the Company (excluding treasury shares) (the "**Shares**") and the volume weighted average price of S\$0.002 per Share on 15 February 2021 (being the last market day on which the Shares were traded preceding the date of the Agreement).
- (4) Rule 1006(d) is not applicable to a disposal of assets.
- (5) Rule 1006(e) is not applicable as the Company is not a mineral, oil and gas company.

Under Chapter 10 of the SGX-ST Catalist Rules, where any relative figure computed on the bases set out in Rule 1006 exceeds, for a disposal or the provision of financial assistance, 50%, the transaction shall constitute a "major transaction" for the purposes of Chapter 10 of the SGX-ST Catalist Rules. Based on the relevant figures computed under Rule 1006 of the SGX-ST Catalist Rules, as the relative figure under Rules 1006(a) exceeds 50%, and the Proposed Unwinding and Settlement will result in a loss on disposal of approximately S\$220,000, which exceeds 5% but does not exceed 10% of the consolidated net loss of the Company (in each case taking into account only the absolute values), the Proposed Unwinding and Settlement therefore constitutes a "major transaction" under the provisions of Rule 1006 and paragraph 4.6 of Practice Note 10A of the SGX-ST Catalist Rules, and is conditional upon approval by shareholders of the Company in general

meeting. In addition, as the Proposed Unwinding and Settlement may involve the corporate actions described in Paragraph 2.4.1 of this announcement, the Proposed Unwinding and Settlement may be subject to the grant of approval of shareholders of the Company present and voting at a duly convened extraordinary general meeting of the Company.

4. FINANCIAL EFFECTS OF THE PROPOSED UNWINDING AND SETTLEMENT

4.1 Bases and assumptions

The following are presented purely for illustrative purposes only and are neither indicative nor do they represent the actual future financial situation or any projection of the financial performance or position of the Group following completion of the Proposed Unwinding and Settlement. The financial effects of the Proposed Unwinding and Settlement on the Company as set out below are based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2019, as well as the following bases and key assumptions:

- (a) the financial effects of the Proposed Unwinding and Settlement on the Group's net tangible asset ("**NTA**") per Share are computed based on the assumption that the Proposed Unwinding and Settlement was completed on 31 December 2019;
- (b) the financial effects of the Proposed Unwinding and Settlement on the Group's loss per Share ("**LPS**") are computed based on the assumption that the Proposed Unwinding and Settlement was completed on 1 January 2019;
- (c) the expenses in connection with the Proposed Unwinding and Settlement are disregarded for the purpose of calculating the financial effects; and
- (d) save as set out above, there have not been any adjustments for the impact of any other transactions or events other than the Proposed Unwinding and Settlement.

4.2 NTA per Share

	Before the Unwinding and Settlement	Proposed and Settlement	After the Unwinding and Settlement	Proposed and Settlement
NTA (S\$'000)	8,345		4,276	
Number of Shares ('000)	15,383,882		15,383,882	
NTA per Share (S\$ cents)	0.05		0.03	

4.3 LPS

	Before the Unwinding and Settlement	Proposed and Settlement	After the Unwinding and Settlement	Proposed and Settlement
Net loss attributable to equity holders of the Company (S\$'000)	3,088		3,059	

Weighted average number of ordinary shares outstanding ('000)	12,455,805	12,455,805
LPS (S\$ cents)	(0.02)	(0.02)

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or Controlling Shareholders of the Company and their respective associates has any interests, direct or indirect, in the Proposed Unwinding and Settlement, other than through their respective shareholding interests in the Company, if any.

6. SERVICE CONTRACTS

No person is proposed to be appointed to the Board in connection with the Proposed Unwinding and Settlement, and no director's service contract in relation to the Company is proposed to be entered into between the Company and any such person in connection with the Proposed Unwinding and Settlement.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement will be made available for inspection during normal business hours at the registered office of the Company at 600 North Bridge Road #06-02 Parkview Square, Singapore 188778 for a period of three (3) months from the date of this announcement.

8. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Unwinding and Settlement as and when there are material developments.

9. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement (save for the information on TSY in Paragraph 2.2 of this announcement) and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Unwinding and Settlement 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 announcement misleading (save that in respect of the information on TSY in Paragraph 2.2 of this announcement, such information is given based on information available to the Company as at the date of this announcement and is subject to further due diligence investigation and verification). Where information in this announcement 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 announcement in its proper form and context.

10. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the Proposed Unwinding and Settlement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Unwinding and Settlement. Shareholders are advised to read this announcement and any further announcements by the Company carefully, and should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

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

17 February 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor").

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

The contact person for the Sponsor is Ms Vanessa Ng (Telephone: +65 6389 3065 and Email: vanessa.ng@morganlewis.com).