

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

INCORPORATION OF A SUBSIDIARY AND ENTRY INTO TERM SHEET FOR PROPOSED JOINT VENTURE

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Beverly JCG Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s 56% owned subsidiary, Natasha Beverly Sdn. Bhd. (“**NBSB**”) has on 25 November 2020 signed a trust deed with Howard Ng How Er, a director of NBSB and the Company, and Alexander Ng Zhonglie, a director of NBSB, (collectively, the “**Trustees**”), whereby the Trustees have declared a trust over the 30 shares and 26 shares (collectively, the “**Trust Shares**”) of Natasha Beverly Aesthetics Sdn. Bhd. (“**NBASB**”) held by Howard Ng How Er and Alexander Ng Zhonglie respectively in favour of NBSB with effect from 11 August 2020. Accordingly, NBASB became a 56% owned subsidiary company of NBSB. In addition, NBSB had on 1 January 2021 entered into a non-binding term sheet (the “**Term Sheet**”) with Beverly Bangsar Sdn. Bhd. (“**BBSB**”), JCG-Beverly Pte. Ltd. and Natasha Beverly Aesthetics Sdn Bhd to establish a joint venture using NBASB (the “**JVCo**”) as the joint venture company for the purposes of providing aesthetic medicine and related services (NBSB and BBSB collectively, the “**Parties**”). Details of NBASB are as follows:-

Name of Company	:	Natasha Beverly Aesthetics Sdn. Bhd.
Place of Incorporation	:	Malaysia
Date of incorporation	:	11 August 2020
Issued and paid-up share capital	:	RM100 comprising 100 ordinary shares
Proportion (%) of equity interests	:	50% held by Howard Ng How Er of which 30% is held on trust for NBSB since 11 August 2020; and 50% held by Alexander Ng Zhonglie of which 26% is held on trust for NBSB since 11 August 2020.
Principal activities	:	Aesthetic medicine and related activities

The above transaction is funded through internal resources and is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2021.

2. RATIONALE FOR THE TRUST ARRANGEMENT WITH THE TRUSTEES

The rationale for entering into the above-mentioned arrangement with the Trustees is to facilitate NBASB's application for the private clinic license in Malaysia, which requires that the majority shareholding of NBASB be locally held (i.e. Malaysian-held) and not foreign-owned. This trust arrangement is a temporary measure until NBASB upgrades to a specialist clinic within an estimated period of two (2) years, following which majority foreign ownership is allowed under the relevant laws and regulations of the Ministry of Health of Malaysia (which are applicable as at the date of this announcement). At that point in time, NBSB may, at its option, choose to instruct the Trustees to transfer the Trust Shares held by the Trustees to NBSB or its nominee(s).

3. THE MATERIAL TERMS OF THE TRUST DEED

The material terms of the Trust Deed are set out below: -

3.1 Declaration of Trust

3.1.1 The Trustees declares and confirms that, in respect of the Trust Shares and with effect from 11 August 2020, they hold:

- (i) the Trust Shares; and
- (ii) all such title, rights, interests, properties, income, revenue, profits, proceeds, gain, dividends, bonuses, distributions or other benefits of whatsoever nature, accrued, accruing, or shall accrue, upon and in respect of the Trust Shares,

on trust for NBSB absolutely with and subject to the trust powers and provisions contained in the Trust Deed.

3.1.2 The Trustees shall, at the instruction of NBSB, transfer the requested number of Trust Shares to NBSB or such nominee(s) as it may direct.

3.1.3 The Trustees have no beneficial right, title or interest whatsoever in respect of the Trust Shares.

3.1.4 The Trustees shall renounce any and all interest in the Trust Shares (if any).

3.2 Trustees' Undertaking

3.2.1 The Trustees undertake to NBSB that the Trustees will (and will procure their nominee(s) holding the Trust Shares (if any) will):

- (a) not dispose, sell, transfer, charge, encumber or otherwise deal with the Trust Shares, save as expressly directed or approved in writing by NBSB;
- (b) promptly and fully account and forward to NBSB, at any time or at such time as NBSB may direct, all such title, rights, interests, properties, income, revenue, profits, proceeds, gain, dividends, bonuses, distributions or benefits of whatsoever nature, in respect of the Trust Shares;
- (c) transfer, pay and deal with the Trust Shares and all title, right, interest, properties, income, revenue, profit, proceed, gain, dividends, bonuses, distribution, or benefit

of whatsoever nature, in respect of the Trust Shares, in such manner as NBSB may direct;

- (d) exercise the voting and other rights in respect of the Trust Shares in accordance with the instructions of NBSB;
- (e) without prejudice to any other provision in the Trust Deed, the Trustees will at any time and at the request of NBSB, and at the cost of NBSB, promptly sign, seal, execute and deliver all deeds, instruments, transfers, renunciations, proxies, notices, documents in such form and do all acts and things as NBSB may from time to time require in order to enable NBSB to vest or register the Trust Shares in NBSB or its nominee(s) or for perfecting or protecting the title of NBSB or its nominee(s) over the Trust Shares or any part of it; and
- (f) not allow any claim, lien, charge or other encumbrance to be created with respect to the Trust Shares, assign to any party other than NBSB any rights with respect to the Trust Shares or otherwise deal with the Trust Shares in any way inconsistent with the terms of this Deed or prejudicial to the rights of NBSB.

4. INFORMATION ON BBSB

BBSB is a company incorporated in Malaysia and its principal business is the operation of an aesthetic clinic. Dato' Ng Tian Sang @ Ng Kek Chuan and his two sons, Howard Ng How Er and Alexander Ng Zhonglie (collectively, the "**Ng Family**") are shareholders of BBSB. Howard Ng How Er and Alexander Ng Zhonglie are also directors of BBSB.

Dato' Ng Tian Sang @ Ng Kek Chuan had declared to the Company that he was negotiating the purchase of a stake in BBSB at the same time he was negotiating the injection of Beverly Wilshire group of companies (which included Beverly Wilshire Medical Centre Sdn Bhd ("**BWMC**"), Beverly Wilshire Medical Centre (JB) Sdn Bhd ("**BWJB**"), Beverly Wilshire Tropicana City Mall Sdn Bhd ("**BWTCM**"), Beverly Wilshire Aesthetic Dental Centre Sdn Bhd, Beverly Wilshire Medical Academy and Research Centre Sdn Bhd and Beverly Wilshire Hair Transplant Sdn Bhd) into the Company. The Ng Family completed the acquisition of 70% of BBSB in September 2019, while The Sloane Group Sdn. Bhd. ("**Sloane Group**") owned the other 30%. On 1 July 2020, the Medical Director of BBSB, Dr Jinly Wong ("Dr Jinly") became a 10% shareholder of BBSB. Accordingly, Ng Family's shareholdings in BBSB was reduced to 63% while Sloane Group's shareholding in BBSB was reduced to 27%. The Company is currently in negotiations with Ng Family, Sloane Group and Dr Jinly (collectively, the "**Proposed Vendors**") to enter into a sale and purchase agreement to purchase at least 51% and up to 100% stake in BBSB. The Company will provide updates to SGX and shareholders in due course and at the appropriate juncture.

Save as disclosed above, BBSB is not related to the Directors, substantial shareholders of the Company, or their respective associates. Save as disclosed above, each of the directors and shareholders of BBSB is also not related to the Directors, substantial shareholders of the Company, or their respective associates. Save as disclosed above, as of the date of this announcement, each of the directors and shareholders of BBSB does not hold any Shares or any other shareholding interests (direct or indirect) in the Company.

5. MATERIAL TERMS OF THE TERM SHEET

5.1 Company Formation and Paid-Up Capital Consideration

(a) The parties shall use an existing company, namely, NBASB, as the joint venture company. As of the date hereof, the issued and paid-up capital of NBASB is as disclosed in Section 1 of this announcement.

(b) Subject to entry into the definitive agreement(s), the JVCo shall eventually be jointly owned by NBSB and BBSB in the following proportions:

NBSB : 56%

BBSB : 44%

(c) Subject to entry into the definitive agreement(s), the paid-up capital of the JVCo shall be RM400,000, of which RM224,000 shall be contributed by NBSB in kind in the form of part of the first floor renovation and refurbishment with furniture and fittings and certain equipment located at 96, Jalan Maarof, Bangsar, 59100, Kuala Lumpur which will be used as the business premises for the operations of the JVCo, and RM176,000 shall be contributed by BBSB in cash.

(d) Two (2) doctors at NBASB, namely, Dr Sean Tan and Dr Kathryn Koh, are given the option to participate 5% each in the capital of NBASB, based on an enlarged capital of NBASB.

5.2 Board Composition

The board of directors of the JVCo shall consist of four (4) representatives from NBSB and three (3) representatives from BBSB. The Chairman of the Board shall be appointed from one of the representatives from NBSB.

5.3 JVCo Business Commencement Date

The Parties have agreed upon a tentative business commencement date of 1 January 2021 for the JVCo or earlier whichever practicable, subject to the definitive agreement(s) (the "Definitive Agreement") being signed and executed prior to the commencement date and subject to such extension(s) as may be necessary and mutually agreed to in writing by the Parties from time to time. Pursuant to an extension letter entered into between the Parties dated 29 January 2021, the Parties have clarified that notwithstanding that the Definitive Agreement has not been signed and executed, the JVCo has commenced operations since 11 August 2020.

5.4 Execution of Definitive Agreement

The Parties shall, acting reasonably and in good faith, execute the Definitive Agreement setting out the terms and conditions of the proposed transaction by 30 January 2021, subject to such extension(s) as may be mutually agreed to in writing by the Parties from time to time. Pursuant to an extension letter entered into between the Parties dated 29

January 2021, the long-stop date for the entry into the Definitive Agreement has been extended to 15 February 2021.

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

Based on the latest announced consolidated financial statements of the Group for the 9-month period ended 30 September 2020 (“**3Q2020**”), the relative figures of the proposed transaction as computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006 Bases of calculation	Relative figure %
(a) The net asset value of the assets to be disposed of, as compared with the Group’s net asset value	Not applicable ⁽¹⁾
(b) The net profits attributable to the assets acquired, compared with the Group’s net loss	Not applicable ⁽²⁾
(c) The aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	0.24% ⁽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) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.
- (2) Not applicable as the JVCo has only been recently incorporated.
- (3) Based on the initial paid capital to be contributed by NBSB of RM224,000 (or equivalent to approximately S\$75,000), compared to the Company’s market capitalisation of approximately S\$31,629,872. The market capitalisation of the Company was computed based on its existing share capital of 15,814,936,164 Shares (excluding treasury shares) and the VWAP of S\$0.002 per Share on 31 December 2020 (being the last market day on which the Shares were traded preceding the date of the Term Sheet).
- (4) Not applicable as there are no equity securities issued as consideration.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As none of the relative figures computed on the bases pursuant to Rule 1006 of the Catalist Rules exceeds 5%, the proposed transaction constitutes a non-discloseable transaction under Chapter 10 of the Catalist Rules.

7. DETAILS OF THE INTERESTED PERSON TRANSACTIONS

7.1 Dato' Ng Tian Sang @ Ng Kek Chuan, the Executive Chairman and CEO of the Company holds approximately 7.52% and 4.90% direct and deemed interests in the Company respectively, and Howard Ng How Er, an Executive Director and the Deputy Chief Executive Officer of the Company holds approximately 1.68% direct interests in the Company as at the date of this Announcement. Dato' Ng Tian Sang @ Ng Kek Chuan and Howard Ng How Er, together with Alexander Ng Zhonglie, the son of Dato' Ng Tian Sang @ Ng Kek Chuan, together hold approximately 63% direct interests in BBSB. Accordingly, BBSB is an interested person of the Company as defined under Chapter 9 of the Catalist Rules, by virtue of it being an associate of a Director of the Company. NBSB, being a subsidiary of the Company, is regarded as an "entity at risk" within the definition set out in Chapter 9 of the Catalist Rules. Accordingly, the entry into the joint venture arrangement is regarded as an interested person transaction and the requirements under Chapter 9 of the Catalist Rules are applicable.

7.2 Under Catalist Rule 909(2), in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees given by the entity at risk. The amount of the Group's equity participation in the JVCo of S\$75,000 represents approximately 0.90% of the Group's audited net tangible assets of S\$8,345,000 as at 31 December 2019. This is below the relevant threshold of 3.0% under Rule 905(1) of the Catalist Rules. Accordingly, no announcement is required under Rule 905(1) of the Catalist Rules. Notwithstanding the foregoing statement, the Company is making the announcement as per Chapter 9 of the Catalist Rules for completeness in view of the announcement of the joint venture arrangement set out herein.

8. RATIONALE FOR AND BENEFIT OF ENTERING INTO THE JOINT VENTURE ARRANGEMENT

BBSB has offered to participate in the JVCo to align the interests of Dato' Ng Tian Sang @ Ng Kek Chuan. BBSB is also contributing RM176,000 in cash for its 49% equity interests in the JVCo for its working capital requirements. In addition, the Medical Director of BBSB, Dr Jinly Wong, is providing her Letter of Credentialing and Privileging ("LCP") licence and acting as the person in charge ("PIC") at NBASB to enable NBASB's aesthetic clinic license application.

9. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company has reviewed the terms of the Term Sheet and is of the view that the transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

10. TOTAL VALUE OF THE INTERESTED PERSON TRANSACTIONS

As at the date of this announcement, the aggregate value of all transactions (including transactions that are less than S\$100,000) entered into between the Group and BBSB for the financial year ending 31 December 2021 amounted to approximately S\$69,000. This represents 0.83% of the Group's latest audited net tangible assets as at 31 December 2019 of S\$8,345,000, which is below the relevant threshold of 3.0% under Rule 905(2) of the Catalist Rules. Accordingly, the joint

venture arrangement will not trigger an announcement requirement under Rule 905(2) of the Catalist Rules. Notwithstanding the foregoing statement, the Company is making the announcement as per Chapter 9 of the Catalist Rules for completeness in view of the announcement of the joint venture arrangement set out herein.

As of the date of this announcement, save as disclosed above there is no other interested person transactions for the financial year ending 31 December 2021.

11. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above, none of the Directors or controlling shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the abovementioned interested person transaction (other than through their interests in the shares of the Company, if any).

12. FURTHER ANNOUNCEMENTS

The Company will make further announcements to inform shareholders of any material updates or developments as and when it may be deemed necessary or appropriate.

13. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in 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 transaction 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. 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.

14. 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 transaction 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 transaction. 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.

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).

BY ORDER OF THE BOARD

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

16 February 2021