

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

RESPONSE TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON THE ANNOUNCEMENT RELEASED BY THE COMPANY ON 18 MARCH 2024 IN RELATION TO THE SUBSCRIPTION OF NEW ORDINARY SHARES AND NEW WARRANTS EXERCISABLE INTO NEW ORDINARY SHARES

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 announcement dated 18 March 2024 titled “Subscription Of 18,500,000 New Ordinary Shares In The Capital Of The Company At An Issue Price Of S\$0.0108 Per Share, Together With 6,166,000 New Warrants Exercisable Into 6,166,000 New Ordinary Shares In The Capital Of The Company At An Exercise Price Of S\$0.025 Per New Warrant” (the “**Previous Announcement**”).

Unless otherwise defined herein, capitalised terms shall have the meaning ascribed to them in the Previous Announcement.

2. RESPONSES TO SGX QUERIES

The Board would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 22 March 2024 (each, an “**SGX Query**”) as follows:

SGX Query (1)

We note that the Issue Price represents a 10% discount to the volume weighted average price of S\$0.012 per Share (“VWAP”) for trades done on the SGX-ST on 15 March 2024 (being the last full market day on which trades were done immediately preceding the date of the Subscription Agreement). We also note that the Company did not request for a trading halt for the trading of its shares on 18 March 2024 and there were trades done on the Company’s shares on 18 March 2024.

- (a) *Please clarify how the Issue Price is in compliance with Rule 811(1) of the Catalist Rules which states that “An issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the Exchange for the full market day on which the placement or subscription agreement is signed. If trading in the issuer’s shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement agreement is signed”.*
- (b) *Please disclose the weighted average price for trades done on the Exchange for the full market day on which the Subscription Agreements are signed (which should be shown in 4 decimal places) and the percentage discount of the Issue Price to this weighted average price.*

Company's response to SGX Query (1)

- (a) The Sponsor was formally notified of the executed Subscription Agreement on 18 March 2024 at approximately 1 p.m.. In light of the absence of a complete market day on 18 March 2024, and based on Rule 811(1) of the Catalist Rules, the Company has confirmed with the subscribers on the commercial terms to use the VWAP recorded on 15 March 2024, at S\$0.0120, as a reference for determining the Subscription Price.

A discount of 10% has been applied to the aforementioned VWAP, establishing the subscription price at S\$0.0108. Furthermore, the Company and the Sponsor had worked closely to monitor the trading activities on 18 March 2024, and observed that the cumulative value and volume of trades executed during this period were immaterial. Specifically, the volume of shares traded on 18 March 2024 amounted to 919,500, with a total traded value of S\$11,402, based on a VWAP of S\$0.0124. Moreover, the difference in share price between S\$0.0120 and S\$0.0124 is only 3.3%, which is not material. In addition, the Sponsor noted that the total placement amount relative to the prevailing market cap is only c. 2.8%. Accordingly, based on the above reasons, a trading halt was not deemed necessary.

- (b) The VWAP on March 18, 2024 is S\$0.0124. The percentage discount of the issue price to the March 18, 2024 VWAP is 12.9%.

SGX Query (2)

Please provide details on how the placees were identified and the rationale for placing to them as required under Catalist Rule 810(2)(b).

Company's response to SGX Query (2)

The Board refers to Section 2.3 of the Previous Announcement for the details of the placees. The Company's senior management has been diligently spearheading promotional efforts aimed at showcasing the Company's potential and value proposition to investors across Malaysia and Singapore.

SGX Query (3)

Please disclose if any introducer's fee was paid in respect of the Subscriptions.

Company's response to SGX Query (3)

The Board confirms that there was no introducer in respect of the Subscriptions. Accordingly, no introducer's fees were paid in respect of the Subscriptions.

SGX Query (4)

We note that the gross proceeds and net proceeds from the Subscriptions of S\$199,800 are the same. Please confirm that there are no fees/expenses to be incurred in relation to the Subscriptions.

Company's response to SGX Query (4)

The Board confirms that there are no fees and/or expenses to be incurred in relation to the Subscriptions.

SGX Query (5)

We note that the Company has been continuously raising funds in the past 3 years mainly for working capital needs.

- (a) *What are the Board's plans to ensure the Group is able to generate sufficient cashflow to support its working capital needs?*
- (b) *Please provide the Board's and AC's assessment, including supporting bases, on the Company's and Group's ability to continue as a going concern.*
- (c) *Please provide the Sponsor's assessment, including supporting bases, on the Company's and Group's ability to continue as a going concern.*

Company's response to SGX Query (5)

- (a) The Beverly Wilshire Group (BW) shall contribute a total of S\$120,000 to Beverly JCG Ltd. up to December 2024. Additionally, the Group will embark on alternative fundraising methods, namely private placements, loans including Advances and Redeemable Convertible Bonds. Furthermore, as announced on the 28 February 2024 FY2023 Financial Statement (the "**28 February Announcement**"), it has been mentioned that the Company has received financial support undertaking from Dato' Ng Tian Sang @ Ng Kek Chuan, whereby he will undertake, for as long as he is a controlling shareholder of the Company, to provide continued financial cash flow support to the Company. Additionally, in the 28 February Announcement, the BW Malaysia Entities have confirmed in writing to the Company that they do not require any additional funding from the Company to continue their operations for the next 18 months. Furthermore, the Company expects that the financial performance of the aesthetic medical and healthcare segment in Malaysia will continue to improve. Nevertheless, the Company has implemented cost-cutting measures which include a reduction of Directors' salaries and Directors' fees, legal retainer fees, and IR retainers to ensure that the Company will have sufficient cash flow to support its working capital needs.
- (b) Aside from the points mentioned above, the Board and AC have also reviewed the Company's financial forecast and are confident that the Company will have the ability to continue as a going concern.
- (c) On the back of the Company's plans to reduce cost, additional fundraising activity, continued financial support obtained from its controlling shareholder, and growth outlook in the aesthetic medical and healthcare segment in Malaysia which will seek to strengthen the Company's cashflow position, the Sponsor concurs with the Board and AC's view that the Company is able to operate as a going concern.

SGX Query (6)

We note that:

- (a) the Directors are of the opinion that, after taking into consideration the Group's present financial position, including its banking facilities, its bank and cash balances, the Group will have adequate working capital for its present requirements, with or without the Subscriptions taking place. However, the Directors are of the opinion that the Share Subscription Net Proceeds and the Investment Warrants Exercise Proceeds will further strengthen and supplement the Group's financial position and capital base; and*
- (b) notwithstanding the above, the Company has allocated 90% of the proceeds from the current Subscriptions for working capital purposes.*

Please elaborate further on the rationale for the Subscriptions and the Directors' opinion on the adequacy of the Group's working capital whilst raising funds of only S\$199,800 from the Subscription Shares to be utilised mainly for working capital purposes.

Company's response to SGX Query (6)

The Company recently underwent a Share Consolidation exercise of 50 to 1 share on 16 January 2024, reducing the total shares from 29 billion shares to 582 million shares. Following this, a Rights Issue was executed on 21 February 2024, offering shares at a price of S\$0.035 per share. However, market dynamics led to the consolidation price plummeting below S\$0.02 per share, considerably lower than the Rights Issue price, resulting in the initially targeted fund raise of S\$10.8 million at full subscription, yielding only S\$185,302.

Nevertheless, the Company is currently raising funds through private placement and alternative fund-raising exercises from investors who have confidence in the Company. The funds raised will be used for working capital and corporate actions such as potential mergers and acquisitions. Furthermore, the Company is in advanced negotiations with a financial institution for a loan facility, further details will be disclosed accordingly when the agreement has been signed.

Notwithstanding all the matters mentioned above, the Group is expected to record a positive EBITDA in the upcoming FY2024 onwards.

Considering the reasons that have been mentioned and the expected positive turnaround of EBITDA in FY2024, the Directors are of the opinion that the Group has sufficient working capital from the respective contribution i.e., S\$185,302 raised from the Rights Issue, S\$199,800 raised from Subscriptions and future contributions from potential investors and banking facilities. In addition, the major controlling shareholder has provided an undertaking to continue providing financial support to the Group to ensure it meets the required working capital.

SGX Query (7)

Please confirm that the terms of the Investment Warrants provide for:

- (a) adjustments to the exercise price and, where appropriate, the number of the Investment Warrants, in the event of a rights issue, bonus issue or subdivision or consolidation of shares, setting out the specific formula; and*

- (b) *any material amendment to the terms of the Investment Warrants after its issuance to the advantage of the holders of the Investment Warrants is to be approved by shareholders of the Company, except where the amendment is made pursuant to the terms of the issue.*

Company's response to SGX Query (7)

The Company confirms that the terms of the Investment Warrants provide for the following:

- (a) adjustments to the exercise price and, where appropriate, the number of the Investment Warrants, in the event of a rights issue, bonus issue or subdivision or consolidation of shares, setting out the specific formula; and
- (b) any material amendment to the terms of the Investment Warrants after its issuance to the advantage of the holders of the Investment Warrants is to be approved by shareholders of the Company, except where the amendment is made pursuant to the terms of the issue.

3. 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 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.

4. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their Shares. 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
Deputy Chairman and Chief Executive Officer

26 March 2024

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

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

The details of the contact person for the Sponsor are:

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