

**ENTRY INTO A SALE AND PURCHASE AGREEMENT IN RELATION TO THE ACQUISITION OF
THE BK TARGET ASSETS**

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Beverly JCG Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly owned subsidiary, JCG-Beverly Pte. Ltd. (the “**JCG-Beverly**”), had on 25 September 2023 entered into a sale and purchase agreement with BK Hospital Pte. Ltd. (the “**BK Hospital**”) (the “**BK Hospital SPA**”) for the transfer of assets relating to BK Hospital’s aesthetic clinic business (the “**BK Target Assets**”).

The BK Target Assets will be transferred to Beverly Wilshire Aesthetics & Wellness Pte. Ltd. (the “**BW Aesthetics**” or the “**Acquiring Entity**”). The Acquiring Entity is a special purpose vehicle, as well as an indirect subsidiary of the Company for the purpose of acquiring and operating the BK Target Assets (the “**Proposed Acquisition**”).

The Proposed Acquisition, if undertaken and completed, are expected to result in a non-disclosable transaction under Chapter 10 of Section B: Rules of Catalist of the listing manual (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Nonetheless, as the consideration for the Proposed Acquisition is to be satisfied fully in securities for which listing is being sought, Rule 1009 of the Catalist Rules requires the preparation of this announcement in accordance with the disclosure requirements of Chapter 10 of the Catalist Rules.

Further details of the Proposed Acquisition are set out below.

2. INFORMATION ON BK HOSPITAL AND THE BK TARGET ASSETS

The information on BK Hospital and the BK Target Assets in this announcement was provided by BK Hospital. In respect of such information, the Company and the Board 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 BK Aesthetics Clinic

BK Hospital’s aesthetic clinic business is a clinic known as “BK Aesthetics Clinic”, located at 100 Tras Street, 100AM Mall, #04-12, Singapore 079027. BK Aesthetics Clinic focuses on various aspects of cosmetic medicine, including the administration of non-invasive aesthetic treatments, as well as engaging in ancillary services such as sale of skincare and health supplements both through physical outlets and online.

Upon completion of the Proposed Acquisition, the Company intends to restructure/streamline the BK Target Assets to form an enlarged business on both aesthetics and beauty treatments. The enlarged business will operate along two separate lines involving (a) aesthetic medicine, and (b) the administration of beauty treatments. It is contemplated that the different aspects of the business will operate under BW Aesthetics and Beverly Wilshire Beauty Pte. Ltd. respectively.

- 2.2 None of BK Hospital or its shareholders and directors, is related to any of the Directors, Controlling Shareholders, chief executive officer of the Company and/or their respective associates. As at the date of this announcement, none of BK Hospital or its directors and shareholders, holds shares, directly or indirectly, in the Company.

3. RATIONALE

The acquisition by the Company (then known as “JCG Investment Holdings Ltd”) in 2019 of the Beverly Wilshire Medical Centre Group (the “**BWMC**”) (as well as the Beverly Wilshire brand) marked the beginning of the Group’s endeavours to establish itself as a major player in the healthcare and wellness industry in Southeast Asia.

While BWMC has more than 20 experienced and well-known doctors and specialists in its 2 licensed medical centres and 4 licensed clinics located in Kuala Lumpur, Petaling Jaya, Johor Bahru and Ipoh, the Group wishes to expand its current capabilities beyond Malaysia.

The rationale for the Proposed Acquisition is thus to extend the Group’s presence in the medical aesthetics sector from Malaysia to Singapore, and streamline its Singapore operations into two business lines primarily on aesthetic medicine and beauty treatments.

The Proposed Acquisition is in line with the Group’s growth strategy, as disclosed in its annual report for financial year ending 31 December 2022 (the “**Annual Report 2022**”) and in its business update on 6 June 2023 (the “**Business Update Announcement**”). As set out in the Annual Report 2022, the Group intends to make further acquisitions, which, if and when completed, are expected to generate additional revenue for the Group, support the Group’s cashflow, and ensure that the Group can continue to operate as a going concern. As set out in the Business Update Announcement, one of the Group’s growth strategies, is to leverage on merger and acquisition opportunities to expand its range of services or provide complementary offerings within the healthcare and wellness industry, which may involve share swaps to acquire stakes in targeted businesses. This will allow the Group to broaden its service offering, catering to a wider range of customer needs and strengthening its competitive position. As part of this growth strategy, the Group plans to expand its business into the Singapore market, tapping into new opportunities and increasing its regional presence. As the Group recognises the value of attracting top talent, it is actively headhunting aesthetics doctors with solid reputation and strong client base. By adding these skilled professionals to the Group, the Group aims to augment its medical capabilities and deliver high-quality services that meet the evolving demands of its customers.

In view of the foregoing, the Board believes that the Proposed Acquisition will strengthen its competitive advantage and value proposition in the medical aesthetics businesses and eventually gain access to new markets, customers and business opportunities. Furthermore, the Proposed Acquisition and the restructuring/streamlining of the business would improve the profitability of the Group and improve the cashflow position of the Group as and when the Acquiring Entity declares dividends. Over time, the Group will benefit from potential commercial, operational and cost synergies created by the addition of the BK Target Assets to the business of the Group, thereby enhancing the long-term interests of the Company and its Shareholders.

4. PRINCIPAL TERMS OF THE BK HOSPITAL SPA

4.1 Consideration for the Proposed Acquisition

The aggregate consideration payable by the Company to BK Hospital (on a cash free and debt free enterprise value basis) pursuant to the Proposed Acquisition shall be a sum of not less than S\$560,000 (the “**BK Hospital Purchase Consideration**”), including any adjustments to reflect a consideration amount equivalent to the independently appraised value of the BK Target Assets (the “**BK Hospital Appraised Value**”).

The BK Hospital Appraised Value shall be determined by an independent valuation firm to be mutually identified by all parties to the BK Hospital SPA and appointed by the Company.

The BK Hospital Purchase Consideration was arrived at on a willing-buyer willing-seller basis, after negotiations which were conducted on an arm's length basis between the Company and BK Hospital taking into account, *inter alia*, prevailing market conditions, the BK Hospital Appraised Value, the business prospects of the BK Aesthetics Clinic, and the capabilities and synergies between BK Hospital and the Group.

The BK Hospital Purchase Consideration will be satisfied by the Group via the issue and allotment of BK Hospital Subscription Shares and BK Hospital Consideration Shares as described below:

- (a) BK Hospital shall subscribe for, such number of newly issued ordinary shares in the share capital of the Acquiring Entity (the "**BK Hospital Subscription Shares**") at S\$1.00 per BK Hospital Subscription Share resulting in JCG-Beverly and BK Hospital holding seventy (70), and thirty (30) percent of the shareholding interests in the Acquiring Entity respectively.
- (b) The Company shall allot and issue to BK Hospital 509,090,910 shares in the share capital of the Company, credited as fully paid up and free from encumbrances, equivalent to the BK Hospital Purchase Consideration (the "**BK Hospital Consideration Shares**") at an issue price (the "**BK Hospital Consideration Shares Issue Price**") fixed at S\$0.0011, provided that the volume weighted average price (the "**VWAP**") for the preceding five (5) market days prior to the date of the BK Hospital SPA (the "**5-day-VWAP**") is not less than S\$0.001. If, however, the 5-day-VWAP exceeds S\$0.001, the BK Hospital Consideration Shares Issue Price shall be adjusted downwards by ten (10) percent.
- (c) The BK Hospital Consideration Shares will be issued pursuant to the general mandate obtained by the Company at its annual general meeting (the "**AGM**") held on 28 April 2023.

For the avoidance of doubt, there is no profit guarantee provided by BK Hospital to the Company.

4.2 Completion

The Proposed Acquisition is expected to be completed (the "**Completion**") on 31 December 2023 or such later date as the parties may mutually agree (the "**Completion Date**").

4.3 BK Hospital's Completion Obligations

On Completion, BK Hospital shall deliver or make available to the Company the following:

- (a) The BK Target Assets in accordance with the BK Hospital SPA;
- (b) Third party consents or novation agreements (as the case may be) in relation to contracts, offers, orders, undertakings, arrangements, agreements, expressions of interest and similar institutes (to which BK Hospital is a party) that are sold, transferred, assigned, or novated to the Acquiring Entity, as set out in the BK Hospital SPA;
- (c) Such conveyances, assurances, transfers, assignments, releases, novations, consents and other documents duly executed by BK Hospital to vest the Acquiring Entity with the full benefit of the legal title to the BK Target Assets in accordance with the terms of the BK Hospital SPA, including the assignment to the Acquiring Entity of the agreement between BK Hospital and Amara Hotel Properties Pte. Ltd. in relation to the lease of the units located at #04-11 and #04-12 in the complex known as "100AM", located at 100 Tras Street, Singapore 079027; and

- (d) Board resolutions of BK Hospital approving, *inter alia*, the transfer of the BK Target Assets in accordance with the terms of the BK Hospital SPA.

Upon compliance by BK Hospital on the above, and receipt of the subscription funds for the BK Hospital Subscription Shares, the Acquiring Entity shall allot and issue the BK Hospital Subscription Shares to BK Hospital.

4.4 Moratorium Undertakings

- (a) The BK Hospital Consideration Shares shall be subject to a moratorium.
- (b) Subject to and conditional upon Completion taking place, BK Hospital covenants and undertakes not to (directly or indirectly), *inter alia*, offer, pledge, sell, contract to sell, realise, assign, grant any option, right or warrant to purchase, lend, hypothecate, encumber, grant any security over, or otherwise transfer or dispose of (or enter into any transaction or arrangement (including any swap, hedge or derivative transaction) which is designed to, or might reasonably be expected to, result in the offer, pledge, sale, contract to sell, realisation, assignment, grant of option, right or warrant to purchase, lending, hypothecation or encumbrance of, grant of security over, or has a similar economic effect to the foregoing, whether such transaction is to be settled by delivery of the BK Hospital Consideration Shares, in cash or otherwise), the following number of BK Hospital Consideration Shares (or any part of the interests in such BK Hospital Consideration Shares) in the following manner (the “**Moratorium**”), without the prior written consent of the Company:
- (i) During the period commencing from the date of issue of the BK Hospital Consideration Shares to BK Hospital (the “**Issue Date**”), and ending on the date falling six (6) months from the Issue Date (the “**Initial Period**”), such number of BK Hospital Consideration Shares which is equal to two-third (2/3) of the BK Hospital Consideration Shares (rounded up to the nearest whole number); and
- (ii) During the first twelve (12) month period following the end of the Initial Period, such number of BK Hospital Consideration Shares which is equal to one-third (1/3) of the BK Hospital Consideration Shares (rounded up to the nearest whole number),
- (the “**Moratorium Period**”)
- (c) For the avoidance of doubt, BK Hospital shall be entitled to dispose (whether in a single or series of transactions) all the remaining BK Hospital Consideration Shares held by BK Hospital, if not disposed previously, following the expiry of the Moratorium Period.

5. RELATIVE FIGURES OF THE PROPOSED ACQUISITION

- 5.1 The relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Catalist Rule	Basis of Calculation	Relative Figure (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	N.A. ⁽¹⁾
1006(b)	The net profits attributable to the assets acquired or disposed	N.A. ⁽²⁾

Catalist Rule	Basis of Calculation	Relative Figure (%)
	of, compared with the Group's net profits.	
1006(c)	The aggregate value of the consideration given or received, compared with the Group's market capitalisation based on the total number of issued shares excluding treasury shares.	1.92 ⁽³⁾
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	1.52 ⁽⁴⁾
1006(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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	N.A. ⁽⁵⁾

Notes:

- (1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.
- (2) Rule 1006(b) of the Catalist Rules is not applicable to an acquisition of fixed assets.
- (3) Based on the volume weighted average price of the Shares of S\$0.001 for trades done on the Catalist on 22 September 2023, being the last market day on which the Shares were traded preceding the date of the BK Hospital SPA, the 509,090,910 BK Hospital Consideration Shares have a combined market value of S\$509,091. Based on the latest announced unaudited financial statements of the Company for 1H2023, the net asset value represented by the BK Hospital Consideration Shares would amount to approximately negative S\$38,000. Pursuant to Rule 1003(3) of the Catalist Rules, the market value of the BK Hospital Consideration Shares was used to compute the relative figures for Rule 1006(c). As such, the value of the BK Hospital Consideration Shares is S\$509,091, compared to the Company's market capitalisation of approximately S\$29,107,775. The market capitalisation of the Company was computed based on its existing share capital of 29,107,775,223 Shares (excluding treasury shares) and the VWAP of S\$0.001 per Share on 22 September 2023 (being the last market day on which the Shares were traded preceding the date of the BK Hospital SPA).
- (4) Based on the allotment and issue of the 509,090,910 BK Hospital Consideration Shares, and the number of equity securities of the Company, being 29,107,775,223 Shares and convertible equity securities convertible to an aggregate of 33,388,608,285 Shares, as at the Latest Practicable Date.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

5.2 As all of the relative figures above amount to 5% or less, the Proposed Acquisition are therefore not disclosable transactions. However, as stated in paragraph 1 of this announcement, as the consideration for the Proposed Acquisition is to be satisfied partly in securities for which listing is being sought, Rule 1009 of the Catalist Rules requires the preparation of this announcement in accordance with the disclosure requirements of Chapter 10 of the Catalist Rules.

5.3 The financial effects of the Proposed Acquisition are therefore set out in the following section.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 The financial effects of the Proposed Acquisition on the Group as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Proposed Acquisition. The financial effects of the Proposed Acquisition set out below have been prepared based on the following bases and assumptions:

- (a) the Group's audited consolidated financial statements for FY2022;

- (b) for the purposes of computing the effect of the Proposed Acquisition on the net tangible assets (the “**NTA**”) per share, it is assumed that the Proposed Acquisition had been completed on 31 December 2022;
- (c) for the purposes of computing the effect of the Proposed Acquisition on the loss per Share (the “**LPS**”), it is assumed that the Proposed Acquisition had been completed on 1 January 2022; and
- (d) the expenses in connection with the Proposed Acquisition are disregarded for the purpose of calculating the financial effects.

6.2 NTA per share of the Group

NTA	Before the Proposed Acquisition	After the Proposed Acquisition
Consolidated NTA (S\$'000)	(1,995)	(1,405)
Number of issued shares	29,107,775,223 ⁽¹⁾	29,616,866,133
Consolidated NTA per share (S\$ cents)	(0.007)	(0.005)

- (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.

6.3 LPS of the Group

LPS	Before the Proposed Acquisition	After the Proposed Acquisition
Loss attributable to owners of the Company (S\$'000)	2,115	2,115
Weighted average number of issued shares	28,891,367,749 ⁽²⁾	29,400,458,659
LPS - Basic (S\$ cents)	0.007	0.007

- (2) The weighted average 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 on 1 January 2022.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors, and to the best of the Directors' knowledge, none of the Controlling Shareholders of the Company and their respective associates, has any interest, direct or indirect, in the Proposed Acquisition other than through their direct or indirect shareholdings in the Company, if any.

8. SERVICE CONTRACTS

No other person is proposed to be appointed as a Director in connection with the Proposed Acquisition, and accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. RESPONSIBILITY STATEMENT

BK Hospital accepts full responsibility for the accuracy of the information given in this announcement in respect of BK Hospital and the BK Target Assets, and confirm after making all reasonable enquiries, that to the best of its knowledge and belief, the facts stated and opinions expressed by it in this announcement in respect of the BK Hospital and the BK Target Assets are fair and accurate in all material respects as at the date hereof, and BK Hospital is not aware of any material facts in respect of the BK Hospital and the BK Target Assets, the omission of which would make any statement in respect of the BK Hospital and the BK Target Assets in this announcement misleading.

10. TRADING CAUTION

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. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

11. DOCUMENTS FOR INSPECTION

Copies of the BK Hospital SPA are available for inspection during normal business hours at the registered office of the Company at 160 Robinson Road, #05-08, Singapore 068914 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

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

25 September 2023

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.

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