

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

ENTRY INTO DEFINITIVE AGREEMENT FOR 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**”) is pleased to announce that Natasha Beverly Sdn. Bhd. (“**Natasha Beverly**”), a subsidiary of the Company, had on 22 September 2021 entered into a definitive agreement (the “**Agreement**”) with Mizu Skin Beauty (“**Mizu**”) (Natasha Beverly and Mizu collectively, the “**Parties**”) to, *inter alia*, establish a joint venture company in Malaysia to be known as “Natasha Beverly Mizu” (the “**JVCo**”) for the purposes of providing medical spa (“**MediSpa**”) services (the “**Products and Services**”) (the “**Proposed Transaction**”).

In this announcement, unless otherwise stated, the exchange rate applied by the Group for conversions of RM into S\$ is RM3 : S\$1. The exchange rate is for reference only. No representation is made by the Company that any amounts in S\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

2. INFORMATION ON MIZU

Mizu is a partnership business owned by Lai Yin Jiun and Lai Yin Xiu who are sisters. The partnership was newly incorporated in August 2021 for the purpose of the Proposed Transaction. Lai Yin Jiun has ten (10) years of experience in the skincare treatments and beauty products industry and eight (8) years of experience in providing eyebrow embroidery services. She has been a trainer for skincare and eyebrow embroidery beauticians for five (5) years. Lai Yin Xiu has six (6) years of experience in the skincare treatments and beauty products industry in which she also provides trainings to beauticians and consultants in skincare and treatment centers.

Mizu, Lai Yin Jiun and Lai Yin Xiu are not related to the Directors, substantial shareholders of the Company, or their respective associates. As of the date of this announcement, Mizu, Lai Yin Jiun and Lai Yin Xiu do not hold any shares in the share capital of the Company or any other shareholding interest (direct or indirect) in the Company.

3. MATERIAL TERMS OF THE AGREEMENT

3.1 Purpose of the JVCo

- (a) It is intended that the principal business activities of the JVCo shall be the provision of MediSpa services at No. 96, Jalan Maarof, Bukit Bandaraya, Bangsar, 59100 Kuala Lumpur (the “**Premise**”).

- (b) The Parties intend for the JVCo to commence business on 1 October 2021, or such other date as may be mutually agreed upon in writing (the “**Commencement Date**”).

3.2 JVCo Capital Structure

- (a) The JVCo shall have an initial paid-up capital of RM100,000 divided into 100,000 ordinary shares.
- (b) It is the intent of the Parties that the shares of the JVCo shall eventually and finally be held by the following Parties, in the equity structure below:

<u>Party</u>	<u>Number of Shares</u>	<u>Percentage of Shareholding</u>
Natasha Beverly	60,000	60%
Mizu	40,000	40%

- (c) The shares shall be subscribed for by the Parties in the following manner:
- (i) Natasha Beverly: Natasha Beverly shall subscribe for 60,000 shares in the JVCo at the total sum of RM60,000 only.
- (ii) Mizu: Mizu shall subscribe for 40,000 shares in the JVCo at the total sum of RM40,000 only.

3.3 Working Capital

- (a) It is the intention of the Parties that the amount of RM60,000 paid by Natasha Beverly shall be utilised as working capital of the JVCo and the amount of RM40,000 paid by Mizu shall be utilised as working capital of the JVCo.
- (b) The Parties agree, subject to procedures prescribed in the Agreement, to advance further amounts to the JVCo as and where necessary according to the percentage of their respective shareholding in the JVCo.

3.4 The Option

The Parties agree that, subject to the relevant shareholders’ approval (if necessary) of the Company:

- (a) Mizu shall be granted an option to require the Company to purchase all (and not only some) of its shares in the JVCo (the “**Option**”) for an aggregate consideration based on the latest twelve-month audited accounts of the JVCo using a price-to-earnings multiple of up to five times the JVCo’s audited net profit for the last financial year, or such other multiple as may be agreed between the Parties (the “**Option Consideration**”).
- (b) The Option Consideration shall be fully satisfied by new ordinary shares to be allotted and issued out of the share capital of the Company (the “**Option Consideration Shares**”).

- (c) The Option Consideration Shares shall, subject to the relevant shareholders' approval of the Company (if necessary), be issued at an issue price to be determined based on the volume weighted average price of the Company's traded shares on a trading day to be designated and agreed by the Parties.
- (d) The Option may be exercised during the period commencing on the date falling three years from the Commencement Date or any other date to be mutually agreed upon by the Parties (the "**Option Period**"). For the avoidance of doubt, the Option shall automatically lapse and cease to be valid, binding and exercisable if not exercised on or before the expiry of the Option Period.
- (e) The Company will make further announcement(s) in relation to the Option as and when there are any subsequent developments on the same.

3.5 Board of Directors of the JVCo

- (a) There shall be three representatives of Natasha Beverly on the JVCo's board of directors, which includes the chairman.
- (b) There shall be two representatives of Mizu on the JVCo's board of directors.
- (c) The appointment of the branch manager shall be at the discretion of Mizu.

3.6 Operational Management

- (a) The branch manager shall oversee the day-to-day management and administration of the JVCo in the provision of the Products and Services, including but not limited to, obtaining all licenses and certifications necessary to legally offer the Products and Services.
- (b) The Parties shall ensure that the JVCo in carrying out its provision of the Products and Services shall act in good faith and in full disclosure of the operations, management and account to each Party as and when is necessary and required to do so.

3.7 Tenancy of the Premise

- (a) Natasha Beverly shall sub-let the Premise to the JVCo until 14 March 2024 (and subject to further extension(s) by mutual agreement between Natasha Beverly and the JVCo) for an agreed rental amount of RM3,000 per month and a utilities charge of RM750 per month.
- (b) Any renovations to be carried out by the JVCo on the Premise must be notified to Natasha Beverly in writing who upon receipt of such information shall inform and update the landlord wherein such renovations and/or alterations and/or additions must comply with the rules and regulations of the relevant building and licensing authorities.
- (c) Any cost incurred for renovation and/or alteration and/or addition works to the Premise shall remain the responsibility of Natasha Beverly.

3.8 Non-Compete

Mizu covenants with Natasha Beverly that Mizu shall not (whether jointly or separately, or with any other person and whether directly or indirectly, and whether as participators, partners, promoters, directors, officers, agents, managers or consultants of, in or to any other person) at any time during and after the executive of the Agreement, be in competition with the JVCo as set out below:

- (a) Non-Compete Period: Mizu shall be restricted from competing with the JVCo for a period of three years upon termination of its relationship with Natasha Beverly through a dissolution of partnership or by any other means.
- (b) Non-Compete Territory: Mizu shall be restricted from competing with the JVCo within a five-kilometre radius from the JVCo's business location.
- (c) Non-Compete Restrictions: During the Non-Compete Period and within the Non-Compete Territory, Mizu shall not directly or indirectly, own, manage, operate, join, control, finance or participate in the ownership, management, operation, control or financing of, or be connected as an officer, director, employee, partner, principal, agent, representative, or consultant of any entity engaged in competition with the JVCo through the offering of similar or related Products and Services.
- (d) Non-Solicitation: Mizu further agrees not to solicit, either direct or indirectly, any employee of the JVCo to leave their employ within the JVCo, and Mizu agrees not to solicit, either directly or indirectly, the business of any client and/or customer of the JVCo.

3.9 The Call Option and the Put Option in Event of Termination of the Agreement

Pursuant to the Agreement, the counterparty (the "**Non-Terminating Party**") that initiated the termination of the Agreement against the other Party (the "**Terminating Party**") in accordance with the terms of the Agreement shall have the following options:

- (a) The Call Option: The Non-Terminating Party shall be entitled to call upon the Terminating Party to sell its entire shares to the Non-Terminating Party for the consideration calculated based on a multiple of five (5) times the twelve-month the audited net profit after tax of the Company or RM1.00 per share, whichever is lower; or
- (b) The Put Option: The Non-Terminating Party shall be entitled to put onto the Terminating Party its right to sell its entire shares to the Terminating Party for the consideration calculated based on a multiple of five (5) times the twelve-month the audited net profit after tax of the Company or RM1.00 per share, whichever is higher.
- (c) The Call Option and the Put Option are subject to the relevant shareholders' approval of the Company (if necessary).

4. **RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTION**

The Group maintains a philosophy of "multi-locations and multi discipline" and creating and maintaining beauty and health from inside out in the areas of regenerative medicine, plastic surgery, aesthetics medicine, dental aesthetics and medical spa.

Natasha Beverly Mizu will be operating the Medispa business and will provide primarily beauty facials and eyebrow embroidery services. It will add on to the Group's existing Medispa services which are currently classified under "Others" sub-segment under the Aesthetic and Medical Healthcare segment. The Directors are of the view that the entry into the Proposed Transaction is in line with the Group's strategic plans to grow and expand its existing medical aesthetics and healthcare business and will bring additional value to the Company and its shareholders.

Accordingly, the Directors are of the view that the Proposed Transaction are in the best interests of the Group.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

Based on the latest announced consolidated financial statements of the Group for the financial period ended 30 June 2021 ("**2Q2021**"), 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	0.06% ⁽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 not commenced operations.

(3) Based on the initial capital contribution of RM33,600 (or equivalent to approximately S\$11,200) compared to the Company's market capitalisation of approximately S\$17,928,000. The market capitalisation of the Company was computed based on its existing share capital of 17,927,715,589 Shares (excluding treasury shares) and the volume weighted average price of S\$0.001 per Share on 21 September 2021 (being the last market day on which the Shares were traded preceding the date of the Agreement).

- (4) Not applicable as there are no equity securities issued as consideration for the JVCo shares.
- (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.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above, none of the Directors or controlling Shareholders of the Company and their respective associates has any interests, direct or indirect, in the Proposed Transaction, other than through their respective shareholding interests in the Company, if any.

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, Parkview Square, #06-02, 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 Transaction 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 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.

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 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.

BY ORDER OF THE BOARD

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

22 September 2021

This announcement has 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.

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