

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

RESPONSES TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE ANNOUNCEMENT ON INTERESTED PERSON TRANSACTIONS PURSUANT TO RULES 905(1) AND 905(2) OF THE CATALIST RULES

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of Beverly JCG Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to respond to queries received on 16 November 2022 from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to the announcement on interested person transactions (“**IPTs**”) pursuant to Rules 905(1) and 905(2) of the Catalist Rules on 14 November 2022 (“**IPT Announcement**”).
- 1.2 Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the IPT Announcement.

2. SGX-ST QUERIES

SGX-ST Query 1:

Did the Company announce the 23 IPTs in the past?

Company’s Response

Yes. The IPTs that the Group has entered into with Beverly Bangsar Sdn. Bhd. (“**Beverly Bangsar**”) (the “**Past IPTs**”) were announced by the Company on a quarterly basis.

The Company had announced the 4 IPTs that were entered into with Beverly Bangsar during the three-month period from 1 January 2022 to 31 March 2022 on 13 May 2022, and in its 1Q FY2022 results announcement which was issued on 17 May 2022. During the six-month period from 1 January 2022 to 30 June 2022, the Company had also announced the 9 IPTs that were entered into with Beverly Bangsar in its IPT announcement issued on 15 August 2022 and in the 2Q FY2022 results announcement which was issued on 24 August 2022.

During the nine-month period from 1 January 2022 to 30 September 2022, the 23 IPTs that were entered into with Beverly Bangsar were announced in the Group’s 3Q FY2022 results announcement and IPT announcement issued on 14 November 2022, of which 9 of them have been previously announced as stated above.

SGX-ST Query 2:

Please provide reasons on why the IPTs were not announced immediately and prior shareholders’ approval was not sought for the IPTs.

Company’s Response

Pursuant to Rules 905(3) and 906(2) of the Catalist Rules, the obligations to announce the Past IPTs and to seek prior shareholders’ approval for the Past IPTs are not applicable to any transaction below S\$100,000 (“**De Minimis Rule**”). As the Past IPTs do not individually exceed S\$100,000, in accordance with the De Minimis Rule, the Company was not required to announce the Past IPTs immediately and/or seek shareholders’ approval for the Past IPTs.

However, after consultation with the Sponsor, the Company will be convening an extraordinary general meeting to seek the approval of and where required, the ratification by, shareholders for the Past IPTs (as well as all further IPTs entered into after 30 September 2022 up to the

date of this announcement) in question as a matter of prudence and for the purposes of good corporate governance as such Past IPTs were entered into with the same interested person during the same financial year and the value of all such Past IPTs, when aggregated, is S\$113,000 which exceeds S\$100,000 and represents 240.4% of the Group's latest audited net tangible assets (31 December 2021: S\$47,000).

Additionally, the Company will also be seeking shareholders' approval of the IPTs set out in paragraph 3 of the Company's IPT announcement of 24 August 2022, being the transactions under the Advance Agreement, the Service Agreement and the IPTs entered into with Dato' Ng and his associates (the "**Specific IPTs**").

The Company, after consultation with the Sponsor, will further be seeking a general mandate for the recurrent IPTs necessary for its day-to-day operations, pursuant to Chapter 9 of the Catalyst Rules.

SGX-ST Query 3:

When and how did the Company discover that the IPTs required immediate announcement and/or shareholders' approval?

Company's Response

In the preparation of the Company's 3Q FY2022 financial results for review and approval by the Board, the Company noted that the aggregate amount of the IPT transactions amounted to S\$113,000 for the nine-month period from 1 January 2022 to 30 September 2022 although each IPT transaction individually did not cross the De Minimis Rule (the amounts ranged from S\$1,414 to S\$8,864). As the Past IPTs do not individually exceed S\$100,000, in accordance with the De Minimis Rule, the Company was not required to announce the Past IPTs immediately and/or seek shareholders' approval for the IPTs. However, after consultation with the Sponsor during the finalisation of the Company's 3Q FY2022 financial results, the Company will, as a matter of prudence and for the purposes of good corporate governance, be convening an extraordinary general meeting to seek the approval of and where required, the ratification by shareholders for the Past IPTs as such Past IPTs were entered into with the same interested person during the same financial year and the value of all such Past IPTs, when aggregated, is S\$113,000 which exceeds S\$100,000 and represents 240.4% of the Group's latest audited net tangible assets (31 December 2021: S\$47,000).

Given the above, the Company intends to convene an extraordinary general meeting to seek the ratification and approval of shareholders for the Past IPTs (as well as all further IPTs entered into after 30 September 2022 up to the date of this announcement) which were recurrent in nature and necessary for the day-to-day operations of the Group, by no later than end January 2023 ("**Jan EGM**").

SGX-ST Query 4:

How were these IPTs recorded in the Company's books?

Company's Response

The Company implements a system of invoicing to record the IPTs with Beverly Bangsar, in addition to other IPTs. The Group also maintains an IPT register to keep track of all the IPTs.

SGX-ST Query 5:

Was the Board informed of these IPTs previously? If so, did the Audit Committee query about these transactions and deemed them as IPTs?

Company's Response

The Board (including the Audit Committee) is aware of the Past IPTs with Beverly Bangsar and has approved these IPTs. These recurrent IPTs were necessary for the day-to-day operations of the Group. The Group was not disadvantaged due to the Past IPTs but instead enjoys bulk discounts for such purchases.

The Audit Committee reviews and approves all IPT transactions on a quarterly basis to ensure that they are on normal commercial terms and are not prejudicial to the interests of the Company and the minority shareholders. The Audit Committee has reviewed the IPTs and is of the view that each of these transactions are on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders. The Audit Committee is of the view that the recurrent IPTs were necessary for the day-to-day operations of the Group and that the Group was not disadvantaged due to the Past IPTs but instead enjoys bulk discounts for such purchases. Accordingly, the Audit Committee did not raise specific queries about the Past IPTs.

SGX-ST Query 6:

Did the Company enter further IPTs after 30 Sept 2022? If so, please provide details (including date, amount and nature).

Company's Response

Subsequent to 30 September 2022, there were a further of nine (9) other IPT transactions amounting to S\$8,494, which are recurrent in nature, entered into between the Group and Beverly Bangsar. Similarly, like the Past IPTs, these recurrent transactions are necessary for the day-to-day operations of the Group and since the Group enjoys bulk discounts from these purchases, the Group is not disadvantaged.

Please refer to **Appendix 1** below for the list of IPTs that were entered into with Beverly Bangsar after 30 September 2022 to-date.

As set out in the responses to Query 2 above, the Company, after consultation with the Sponsor, will also be seeking a general mandate for the recurrent IPTs at the Jan EGM.

SGX-ST Query 7:

While the Company will be convening an EGM to rectify and seek shareholders' approval for the past IPTs, will the Company continue to enter into such IPTs with Beverly Bangsar?

Company's Response

The Company shall not enter into any future IPTs with Beverly Bangsar until the Company has obtained a general mandate at the Jan EGM for such future IPTs with Beverly Bangsar. In addition, the Company intends to table for shareholders' approval and ratification at the Jan EGM, the Past IPTs (as well as all further IPTs entered into after 30 September 2022 up to the date of this announcement) in addition to seeking shareholders' approval for the Specific IPTs as set out in the Company's IPT announcement of 24 August 2022. For the avoidance of doubt, the Specific IPTs have not been entered into and will not be entered into until shareholders' approval has been obtained.

SGX-ST Query 8:

Has the Company appointed an IFA to opine on the terms of the past IPTs? Who is the appointed IFA?

Company's Response

The Company is in the process of carrying out its due diligence for an IFA to opine on the Past IPTs, the Specific IPTs and the recurrent IPTs under the general mandate.

SGX-ST Query 9:

Please provide the Board's and Sponsor's views on the Company's breaches of listing rules, including whether there are lapses in the Group's systems of internal controls.

Company's Response

As disclosed above,

- (1) The Group maintains an IPT register to keep track of all the IPTs;
- (2) All IPT transactions are reviewed on a monthly basis by senior management;
- (3) The Audit Committee reviews and approves all IPT transactions on a quarterly basis to ensure that they are on normal commercial terms and are not prejudicial to the interests of the Company and the minority shareholders.

The Board is of the view that the IPTs with Beverly Bangsar are necessary for its day-to-day operations and the Group enjoys bulk discount for such purchases. Given the above, the Board is of the view that the Group's systems of internal control and procedures are adequate.

The Board is of the view that there is no breach of Chapter 9 of the Catalist Rules on the basis that the obligation to announce the Past IPTs and to seek prior shareholders' approval for the Past IPTs are not applicable to any transaction below S\$100,000. However, the Company has after consultation with the Sponsor, as a matter of prudence and for the purposes of good corporate governance, decided to seek shareholders' ratification of the Past IPTs (as well as all further IPTs entered into after 30 September 2022 up to the date of this announcement) as such Past IPTs were entered into with the same interested person during the same financial year and the value of all such Past IPTs, when aggregated, is S\$113,000 which exceeds S\$100,000 and represents 240.4% of the Group's latest audited net tangible assets (31 December 2021: S\$47,000). The Company had in its announcement dated 24 August 2022 stated that it would be seeking shareholders' approval for the Specific IPTs and had in its announcement dated 14 November 2022 that it would be seeking a ratification from shareholders for the Past IPTs following consultation with the Sponsor. The Company, after consultation with the Sponsor, will further be seeking a general mandate for the recurrent IPTs necessary for its day-to-day operations, pursuant to Chapter 9 of the Catalist Rules.

The Sponsor is of the view that there has been no breach of Chapter 9 of the Catalist Rules as the obligation to announce the Past IPTs and to seek prior shareholders' approval for the Past IPTs are not applicable to any transaction below S\$100,000. However, the Sponsor has recommended that the Company, as a matter of prudence and for the purposes of good corporate governance, seek shareholders' ratification of the Past IPTs (as well as all further IPTs entered into after 30 September 2022 up to the date of this announcement) as such Past IPTs were entered into with the same interested person during the same financial year and the value of all such Past IPTs, when aggregated, is S\$113,000 which exceeds S\$100,000 and represents 240.4% of the Group's latest audited net tangible assets (31 December 2021: S\$47,000). In contrast, the aggregate value of all transactions (including transactions that are less than S\$100,000) entered into between the Group and Beverly Bangsar for the 6-month financial period ended 30 June 2022 amounted to approximately S\$55,000 which was below S\$100,000.

The Sponsor has also recommended that the Company seek a general mandate for the recurrent IPTs necessary for its day-to-day operations, pursuant to Chapter 9 of the Catalist Rules

SGX-ST Query 10:

Please also provide the Board's plans to ensure the Company's compliance with rules and regulations going forward.

Company's Response

Going forward, the Group intends to carry out the following additional steps for all IPTs in addition to what is currently being carried out.

- (1) Prior to each quarterly reporting, the Company intends to seek confirmation from the Sponsor on the application of Rules 905(5) and 906(4) of the Catalist Rules and whether the relevant IPTs will be subject to aggregation notwithstanding that they are each below the value of S\$100,000;
- (2) The Company intends to seek approval for a General IPT Mandate at the Jan EGM;
- (3) Senior management will conduct half yearly reviews and where necessary, updates of internal procedures to ensure that all management and finance teams of the Group are fully informed of and familiar with the nature and classifications of IPTs, the disclosure and compliance obligations under the Catalist Rules and applicable laws, and the established methods and procedures for entering into IPTs, so that they can promptly report the same back to senior management, to facilitate timely updates of the IPT register;
- (4) Senior management will disclose the IPT register to relevant personnel (such as the board or management of each subsidiary and associated company) to facilitate the identification of IPTs;
- (5) Senior management will review the IPT register on a monthly basis;
- (6) The Audit Committee will review the IPT register on a quarterly basis and such review includes the examination of the transactions and its supporting documents or such other data deemed necessary by the Audit Committee. The Audit Committee will continuously assess and update shareholders on whether there are adequate and effective internal controls and procedures in place to monitor the IPTs, and whether all management and finance teams of the Company and its subsidiaries are fully informed of and familiar with the nature and classifications of IPTs, the disclosure and compliance obligations under the Catalist Rules and applicable laws, and the established methods and procedures for entering into IPTs;
- (7) The Company shall consider seeking a revision of IPT limits in accordance with Rules 905(4) and 906(3) of the Catalist Rules, where audited net tangible assets is negative, to calculate the relevant threshold based on its market capitalisation;
- (8) All directors will perform an annual conflict of interest declarations.

The above is being carried out in the interest of good corporate governance and for the avoidance of doubt, the Company is of the view that there has been no breach of Chapter 9 of the Catalist Rules in respect of the Past IPTs.

BY ORDER OF THE BOARD

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

23 November 2022

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.

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

Appendix 1

IPTs from 1 October 2022 to 23 November 2022						
No	Date	Nature	Description	Entity At Risk	Interested Party	Value of IPT (S\$)
1	1/10/2022	Support Services Income	BEING REIMBURSE FOR ACCOUNTING FEE FOR BBSB DUE TO PROVIDING SERVICES- OCT 2022	Natasha Beverly Sdn. Bhd.	Beverly Bangsar Sdn. Bhd	633
2	1/10/2022	Support Services Income	REIMBURSEMENT OF PAYROLL FOR ACCTG, HR, MKTG, MAINTENANCE SUPPORT FEES OF OCT'22	Beverly Wilshire Medical Centre Sdn. Bhd	Beverly Bangsar Sdn. Bhd	949
3	3/10/2022	Sales of products	DOXYMYCIN 100MG CAPSULE (DOXYCYCLINE), NORMAL SALINE 0.9% 100ML (SODIUM CHLORIDE), PIRITON 4MG TABLET (CHLORPHENIRAMINE), (3M) TEGADERM FILM W/ NOTCH <1623W>, 6 X 7CM, STERILE IV INFUSION SET WITHOUT FILTER<ART NO.: SH-IS04-C>, VENOFIX A 23G 0.65 X 20MM, 30CM	Beverly Wilshire Medical Centre Sdn. Bhd	Beverly Bangsar Sdn. Bhd	70
4	6/10/2022	Sales of products	ADDAVEN INJ. 10ML, DIPEPTIVEN (GLUTAMINE) INJ. 100ML, SOLUVIT INJ. 10ML <167VLS831008>, VAMINOLACT INJ. 100ML <23246640>, VITALIPID N ADULT INJ. 10ML <167VLS831008>, VASOFIX SAFETY FEP 22G, IN 0.9 X 25MM	Beverly Wilshire Medical Centre Sdn. Bhd	Beverly Bangsar Sdn. Bhd	471

5	13/10/2022	Sales of products	ARCOXIA 120MG TABLET (ETORICOXIB), CELEBRAX 200MG CAPSULE (CELECOXIB), DORMICUM 7.5MG TABLET (MIDAZOLAM), FUCIDIN 15G OINTMENT, HYDROCORTISONE 15G CREAM, PREDNISOLONE 5MG TABLET (PREDNISOLONE)BW HYALURONIC ACID + B5 SERUM 30ML, (TERUMO) 3ML SYRINGE LUER LOCK, PLAIN GAUZE, 5 X 5CM X 8 PLY	Beverly Wilshire Medical Centre Sdn. Bhd	Beverly Bangsar Sdn. Bhd	236
6	21/10/2022	Sales of products	BOTOX BOTOLINUM TOXIN TYPE A 100 UNITS, JUVEDERM VOLIFT 1ML	Beverly Wilshire Medical Centre Sdn. Bhd	Beverly Bangsar Sdn. Bhd	4,086
7	26/10/2022	Sales of products	DUROMINE 15MG CAPSULE (PHENTERMINE)	Beverly Wilshire Medical Centre Sdn. Bhd	Beverly Bangsar Sdn. Bhd	467
8	1/11/2022	Support Services Income	REIMBURSEMENT OF PAYROLL FOR ACCTG, HR, MKTG, MAINTENANCE SUPPORT FEES OF NOV'22	Beverly Wilshire Medical Centre Sdn. Bhd	Beverly Bangsar Sdn. Bhd	949
9	1/11/2022	Support Services Income	BEING REIMBURSE FOR ACCOUNTING FEE FOR BBSB DUE TO PROVIDING SERVICES- NOV 2022	Natasha Beverly Sdn. Bhd.	Beverly Bangsar Sdn. Bhd	633
				TOTAL		8,494