

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

RESPONSES TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON THE COMPANY'S ANNOUNCEMENT RELEASED ON 5 APRIL 2022

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 comments received on 7 April 2022 from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in relation to the Company's announcement released on 5 April 2022 on the entry into five subscriptions agreements dated 1 April 2022 (the "**Subscription Agreements**") with each of Chong Wan Ping, Yee Kok Leong, Choong Kai Soon, Pang Tee Chew and Yau Kok Seng (the "**Subscribers**" and each a "**Subscriber**") respectively for the issue and allotment by the Company to the Subscribers of an aggregate of 735,000,000 new ordinary shares ("**Shares**") in the capital of the Company (the "**Subscription Shares**"), together with an aggregate of 245,000,000 new warrants (the "**Investment Warrants**"), on the terms and subject to the conditions of the Subscription Agreements (the "**Subscriptions**") (the "**Previous Announcement**").
- 1.2 Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the Previous Announcement (as the case may be).

2. SGX-ST QUERIES

SGX-ST Query 1:

The Company had just completed a placement in March 2022, raising gross proceeds of S\$630K. These proceeds were also intended to fund the growth of the Group's medical aesthetics business and working capital purposes.

- **Please provide a status report on the use of the S\$630K placement proceeds (in a table form stating in details on the intended purpose and how it was utilised).**

Company's Response

As at the date of this announcement, the net proceeds raised from the March 2022 Subscriptions amounting to \$600,000 had been utilised as follows:

Use of proceeds	Percentage Allocation (%)	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Amount Unutilised (S\$'000)
Net Proceeds from the March 2022 Subscriptions				

(i)	For general working capital needs	50	300	264	36
(ii)	For funding growth, development and expansion of its existing aesthetic medical and healthcare business and exploration of new business opportunities as and when they arise	50	300	33	267
Total		100	600	297	303

The amount utilized for working capital was S\$264,000 and was used to pay for (i) audit fees amounting to \$125,000, (ii) outstanding directors' fees for the financial year ended 31 December 2021 amounting to \$70,000, (iii) additional listing fees to SGX amounting to \$9,000 and (iv) other operating expenses amounting to \$60,000.

- **The Directors had confirmed on 13 Jan 2022 (time of placement announcement) that “*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. Notwithstanding the foregoing, 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.*”**

In view of the above confirmation, why is the Company raising further funds again in less than a month and for the same exact purpose?

Company's Response

The Company has no operating income and incurs recurring expenses of approximately S\$1.5 million per annum. During the private placement announced on 13 January 2022 and completed on 10 March 2022, the Directors had confirmed that after taking into consideration the Group's then financial position, including its banking facilities, its bank and cash balances, the Group had adequate working capital for its present requirements, with or without the placement taking place. However, due to the abovementioned recurring annual expenses amounting to approximately S\$1.5 million, continuous fund-raising is required not just to meet present but also the future expenses of the Group. The general mandate as approved by the shareholders during the Company's annual general meeting held on 29 June 2021 allows for the Company to issue and allot up to 8,963,857,794 new shares on a non-pro rata basis.

The Group has raised approximately S\$3.477 million in FY2021 and up to the date of this announcement, comprising S\$2.112 million gross proceeds from the rights cum warrants issue completed in June 2021 as well as S\$1.365 million aggregate gross proceeds from the private placements completed in December 2021 and March 2022. On completion of the Subscriptions announced on 5 April 2022, the Group will raise further gross proceeds of S\$0.735 million.

The Company intends to engage in further fund raising. Please refer to the Company's response below for further details.

- **In the current announcement, the Directors made the same confirmation again “*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. Notwithstanding the foregoing, 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. The Directors are further of the opinion that, after taking into consideration the Group's present bank facilities and the Share Subscription Net Proceeds and the Investment Warrants Exercise Proceeds, the working capital available to the Group is sufficient to meet its present requirements.*”**

Please provide more details on the Company's plans for the use of placement proceeds, including acquisition targets or expansion plans.

- **Please provide the Company's business plans going forward and how it intends to turn the business around.**

Company's Response

The Beverly Wilshire Group of Companies (“**BW**”) is a 51% subsidiary of BJCG, with the remaining 49% is owned by Dato' Ng Tian Sang @ Ng Kek Chuan (“**Dato' Francis Ng**”) family, doctors and three major investors. Dato' Francis Ng is the Executive Chairman and CEO of the Company. BW is an integrated healthcare, beauty medical centre licensed by the Ministry of Health (“**MOH**”) Malaysia and is a member of the Malaysian Healthcare Travel Council. Currently, BW owns and operates two fully licensed medical centres and five licensed clinics under Beverly Wilshire Medical Centre Sdn. Bhd., Beverly Wilshire Medical Centre (JB) Sdn. Bhd., Natasha Beverly Sdn Bhd, Beverly Wilshire Tropicana City Mall Sdn. Bhd., Beverly Ipoh Sdn. Bhd. and three dental specialist clinics namely Beverly Wilshire Aesthetic Dental Sdn Bhd, Natasha Beverly Dental Sdn Bhd, and Beverly Dentistree Sdn Bhd. BW offers specialised medical beauty services such as cosmetic surgery, aesthetic medicine, healthy ageing for men and women, orthopaedic and dental specialist services. BW has a team of highly skilled specialists, comprising of 30 doctors and 130 employees in the Group. BW has cutting edge technologies and world-class facilities to ensure clients' optimal outcome and their treatments are administered professionally by board certified doctors with qualified state registered nurses.

The Company under the Beverly Wilshire Brand aims to be a renowned regional player in the industry by 2025.

The Company's core business is beauty and wellness and its product and services include plastic surgery, aesthetic medicine, regenerative medicine (stem cells), aesthetic & general dentistry, orthopedics, other related beauty and healthcare products and procedures.

The Company's core strategy involves setting up centres and clinics in multi locations and employing a multi discipline strategy. Currently, BW has 7 locations in 4 states (Wilayah Persekutuan, Selangor, Johor, Perak), 2 main Ministry of Health (“**MOH**”) licensed hospitals (Kuala Lumpur and Johor Bahru), 7 clinics (6 in Klang Valley and 1 in Ipoh), Aesthetics (Kuala

Lumpur, Bangsar, Petaling Jaya, Ipoh), Dental (Kuala Lumpur, Bangsar, Kota Damansara) and 1 Medispa, Chiropractology, Reflexology, Facial Sculpting.

The Group's strategic expansion plan involves the following:

- i) setting up 1 BW centre in every state in Malaysia by 2023;
- ii) setting up 3-5 clinics in Singapore by end of 2022 via mergers and acquisitions;
- iii) setting up 3-5 clinics in Indonesia by 2023 via joint ventures with Natasha Skincare (Malaysia) Sdn Bhd;
expanding to become a recognised regional player in beauty and wellness by setting up centres in Australia, Cambodia, China, Indonesia, Singapore, and Vietnam; and
- iv) expanding through mergers and acquisitions and organic growth, locally and overseas.

The Group's marketing strategy includes convention marketing (business to consumer and business to business through partnerships with Corporations, Clinics, Airlines, Banks, Higher Learning Institutions), digital marketing (through social media, search engine optimization and search engine marketing), e-commerce (through partnership with online marketplaces such as Lazada and Shopee) as well as advertising in target market places (such as Malaysia, Singapore, Australia & New Zealand, Indonesia, Vietnam, Cambodia and China) and target markets (such as females aged between 30 to 45).

In order to turn the Group's business around and to achieve profitability, the Company intends to continue to fund raise through private placements for expansion plans and working capital. The Company intends to raise new funds of S\$6 million by June 2022 (of which S\$3.477 million has been raised by way of the rights cum warrants issue completed in June 2021 and the private placements completed in December 2021 and March 2022 and a further \$0.735 million will be raised on completion of the Subscriptions announced on 5 April 2022) for additional working capital and to fund growth and development. The Group then intends to raise a further S\$18 million by December 2023 to acquire profitable beauty and healthcare medical clinics as part of the Group's strategic plan to turn around the Company. In addition, BW recording its maiden profit in FY2021 from organic growth augments well for the Group's turnaround strategy.

SGX-ST Query 2:

Please provide information on the existing share issue mandate, utilised mandate from past fund-raising exercises and remaining mandate, and whether aggregated total shares and warrants are issued within existing share issue mandate.

Company's Response

Information on the Share Issue Mandate is as follows:

Percentage (%) limit for pro-rata issues	100%
Percentage (%) limit for non pro-rata issues	50%
Date of last annual general meeting	29 June 2021
No. of issued shares (excluding treasury shares and subsidiary holdings) and base used to	17,927,715,589

determine the number of shares which can be issued under the Share Issue Mandate (“ Base Number ”)	
Number of shares available under the Share Issue Mandate computed using the Base Number for non pro-rata issues	8,963,857,794
Number of shares issued pursuant to the Share Issue Mandate	1,877,120,000 shares, comprising the following issuances: <ol style="list-style-type: none"> 1. 735,000,000 shares issued pursuant to the placement exercise completed on 9 December 2021¹ 2. Up to 245,000,000 warrant shares to be issued on the conversion of up to 245,000,000 investment warrants pursuant to the placement exercise completed on 9 December 2021² 3. 630,000,000 shares issued on 10 March 2022 pursuant to the March 2022 Placement³ 4. Up to 210,000,000 warrant shares to be issued on the conversion of up to 210,000,000 investment warrants pursuant to the placement exercise completed on 10 March 2022⁴ 5. 57,120,000 shares allotted to certain employees on 4 April 2022 as part payment of their salaries in shares in lieu of cash⁵
Balance number of new shares that can be issued under the Share Issue Mandate	7,086,737,794
Number of new shares to be issued under the Subscriptions	An aggregate of 980,000,000 new shares, comprising (i) 735,000,000 Subscription Share and (ii) up to 245,000,000 Warrant Shares on the conversion of up to 245,000,000 Investment Warrant

¹ Please refer to the Company’s announcements dated 21 July 2021, 29 October 2021, 3 December 2021 and 9 December 2021 for further information on the placement exercise completed on 9 December 2021.

² Please refer to the Company’s announcements dated 21 July 2021, 29 October 2021, 3 December 2021 and 9 December 2021 for further information on the placement exercise completed on 9 December 2021.

³ Please refer to the Company’s announcements dated 13 January 2022, 2 March 2022 and 10 March 2022 for further information on the placement exercise completed on 10 March 2022.

⁴ Please refer to the Company’s announcements dated 13 January 2022, 2 March 2022 and 10 March 2022 for further information on the placement exercise completed on 10 March 2022.

⁵ Please refer to the Company’s announcements dated 25 November 2021, 1 April 2022 and 4 April 2022 for further information on the shares issued to certain employees as part payment of their salaries in shares in lieu of cash.

The 735,000,000 Subscription Shares and the 245,000,000 Investment Warrants (and on exercise of the Investment Warrants, up to 245,000,000 Warrant Shares) which may be issued pursuant to the Subscription Agreement fall within the limits of the Share Issue Mandate. Please refer to paragraph 8 of the Previous Announcement for further information.

SGX-ST Query 3:

The Company's existing issued share capital consists of 19,681,411,589 Shares. The proposed placement will increase the Company's share capital to 20,661,411,589 Shares.

In view of the large number of shares in issue, the placement price of S\$0.001 (being the lowest possible trading price), did the Company consider consolidating its shares? Why and why not?

Company's Response

The Company had already completed one round of share consolidation on 10 January 2019 whereby every two existing shares were consolidated to one share. Upon share consolidation, the Company trading price had increased from S\$0.001 per share to S\$0.002 per share and the trading price had increased to above S\$0.002 per share at certain points in time. However, ever since the start of the Covid-19 pandemic in early 2020, the Company's share price has been trading consistently between S\$0.001 per share to a high of S\$0.002 per share. The volume weighted trading price in recent months is S\$0.001. The current capital market condition is weak and share consolidation is not feasible for the Company at this point in time as the actual share price may drop below the theoretical-ex price thereby providing a situation whereby private placement price is given a further discount. The Company plans to increase the value, and therefore share price of the Company, through other means aside from consolidation (e.g. the strategy of strategic acquisitions of profitable targets).

3. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers 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

11 April 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).