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

RESPONSES TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON:

(I) THE COMPANY'S ANNOUNCEMENTS RELEASED ON 5 APRIL 2022 AND 11 APRIL 2022; AND

(II) THE DISCLAIMER OPINION BY INDEPENDENT AUDITOR, RT LLP, ON THE FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2021.

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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 20 April 2022 from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in relation to:

(i) 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 "**5 April 2022 Announcement**") and the Company's announcement released on 11 April 2022 containing responses to queries received from SGX-ST on 7 April 2022 in relation to the 5 April 2022 Announcement (collectively, the "**Previous Announcements**"); and

(ii) the disclaimer opinion by the Company's independent auditor, RT LLP (the "**Auditors**"), in respect of its Independent Auditor's Report for the financial statements of the Group for the financial year ended 31 December 2021 (the "**Auditors Report**").

1.2 Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the Previous Announcements (as the case may be).

2. SGX-ST QUERIES

<u>**SGX-ST Query 1:**</u>

In response to the Exchange's queries on why the Company is raising further funds in less than a month from the last completed placement exercise and for the same exact purpose, the Company replied that "*<u>The Company has no operating income</u> and <u>incurs recurring expenses of approximately S$1.5 million per annum</u>. 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. <u>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</u>."

- **Does this mean that the Company has no recurring operating income from its healthcare and beauty business currently?**

  <u>Company's Response</u>

  The Company, which is an investment holding company, has no operating income. The Group, comprising the Company and its subsidiaries, has recurring operating income from its healthcare and beauty business in Malaysia and steel trading business in Singapore. Details of the subsidiaries are as follows:

  Healthcare and Beauty business in Malaysia

Entity	**Principal activities**
Beverly Wilshire Medical Centre Sdn Bhd	Provision of cosmetic and plastic surgery, health screening and as medical specialist centre with out-patient and day care services and activities
Beverly Wilshire Medical Centre (JB) Sdn Bhd	Provision of aesthetic and cosmetic surgery and reconstructive surgery
Beverly Wilshire Aesthetic Dental Centre Sdn. Bhd.	Provision of aesthetic and cosmetic surgery and reconstructive surgery
Beverly Wilshire Tropicana City Mall Sdn. Bhd.	Provision of cosmetologial and aesthetical related treatments
Beverly Wilshire Medical Academy and Research Centre Sdn. Bhd.	Provision of aesthetic, cosmetic and plastic surgery, healthy aging therapy, health screening and wellness and medical research
Beverly Dentistree Sdn. Bhd	Provision of aesthetic dental care
Beverly Ipoh Sdn. Bhd.	Provision of aesthetic medicine and related activities
Natasha Beverly Sdn. Bhd.	Provision of physiotherapy, spa, reflexology services and activities
Natasha Beverly Dental Sdn. Bhd.	Provision of aesthetic dental care
Natasha Beverly Mizu Sdn. Bhd.	Provision of healthy aging, regenerative medicine, health screening services and medical spa procedure
Natasha Beverly Aesthetics Sdn. Bhd.	Provision of aesthetic medicine and related activities

  (collectively, the "**BW Group**").

  Steel Trading business in Singapore

Entity	**Principal activities**
Albedo Corporation Pte Ltd	Steel trading

  However, the BW Group, as described above and which operates the healthcare and beauty business in Malaysia, has just begun to turnaround to profitability in FY2021 with small positive earnings before interests, tax, depreciation and amortisation ("**EBITDA**") of S$454,000 for FY2021. which is not presently sufficient to cover the $1.5 million recurring expenses of the head office. Furthermore, the Company is entitled to only 51% of the profits of the BW Group. It is expected that with the anticipated increase in revenue and profits with the influx of interstate and foreign customers arising from Malaysia's plans to reopen borders to foreign tourists in 2022, the Group would be able to look into some form of support from the BW Group going forward.

- **Please provide a breakdown of the "S$1.5 million recurring expenses".**

  Company's Response

  The S$1.5 million recurring expenses comprise:

Nature of expenses	S$'000
Directors' remuneration	429
Directors' fees	180
Staff remuneration	443
Professional fees (includes audit fees, secretarial fees, sponsor fees, share registrar fees and SGX listing fees)	294
Other administrative and office expenses	154
Total	**1,500**

- **As at 31 December 2021, the Group has S$913K of cash and cash equivalents in its balance sheet. In the Company's response, it is mentioned that the Company needs continuous fund-raising for the recurring annual expenses of S$1.5 million per annum and also for the Group's future expenses.**

  Does this mean that the Group is facing cash flow issues for its annual recurring expenses?

  Company's Response

  The Company is an investment holding company in Singapore and does not have any operating income.

  The BW Group has recurring operating income from its healthcare and beauty business in Malaysia. However, the BW Group just begun to turnaround to profitability in FY2021 with small positive earnings before EBITDA of S$454,000 for FY2021 which is not presently sufficient to cover the $1.5 million recurring expenses of the head office. Furthermore, the Company is entitled to only 51% of the profits of the BW Group. It is expected that with the anticipated increase in revenue and profits with the influx of interstate and foreign customers arising from Malaysia's plans to reopen borders to foreign tourists in 2022, the Group would be able to look into some form of support from the BW Group going forward.

  The Company would like to emphasize that the strategy of raising funds by way of placements and utilizing such funds is a short-term measure to support the annual recurring expenses of the Company. To date, the Company has been successful in securing placement funds. The Company will also consider other means of financing such as the issuance of convertible loans, convertible preference shares and bank loans.

  In the mid to longer-term, the Group and Company intends to focus on increasing shareholders' value in the Company and improving the current share price of the Company by pursuing strategic expansion plans. The Group's expansion strategy is as follows:

  i) setting up 1 Beverly Wilshire 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 Group;
  iv) expanding to become a recognised regional player in beauty and wellness by setting up centres in Australia, Cambodia, China, Indonesia, Singapore, and Vietnam; and

v) expanding through mergers and acquisitions and organic growth, locally and overseas.

The Group intends to raise 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, the key Beverly Wilshire entities recording their maiden profit in FY2021 from organic growth augments well for the Group's turnaround strategy.

In addition to improving shareholders' value of the Company, the above strategy seeks to increase the operating cashflow of the Group such that it no longer needs to rely on placement funds to support its annual recurring expenses. It is envisaged that as the Group expands further, it is expected that more profitable subsidiaries will be able to contribute to the cashflow of the Company and cover the recurring expenses of the head office.

As part of the short-term measure to support the annual recurring expenses of the Company, it also intends to continue to fund raise through private placements for expansion plans and working capital and is also considering other means of financing such as the issuance of convertible loans. In addition to the S$3.477 million which 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, 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 Company intends to raise further new funds of S$1.788 million by June 2022.

- **Please provide the Board's view on the Group's ability to operate as a going concern, providing details bases to support such view.**

  Company's Response

  As set out in the Company's annual report dated 13 April 2022, the Board of the Company believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2021 is appropriate after taking into consideration the following assumptions and measures:

  (a) Better financial performance from aesthetic medical and healthcare segments in Malaysia which is expected to continue

  (i) The Beverly Wilshire group of companies in Malaysia which contributed about 98% of the Group's revenue has turned around despite challenges of operating under Covid-19 restrictions, with its best financial performance since inception of business operations in 2012. The Group's revenue for aesthetic medical and healthcare segments have increased by 66% from S$5,315,000 for the financial year ended 31 December 2020 ("**FY2020**") to S$8,801,000 for the financial year ended 31 December 2021 ("**FY2021**").

  (ii) The Beverly Wilshire group of companies' earnings before interests, tax, depreciation and amortisation ("**EBITDA**") is positive at S$454,000 for FY2021 as compared to negative S$1,664,000 for FY2020. The legacy Beverly Wilshire clinics comprising Beverly Wilshire Medical Centre Sdn Bhd ("**BWMC**"), Beverly Wilshire Medical Centre (JB) Sdn Bhd, Beverly Wilshire Tropicana Mall Sdn Bhd, Beverly Wilshire Aesthetic Dental Sdn Bhd and Beverly Wilshire Medical Academy and Research Sdn Bhd contributed positive EBITDA of S$595,000 for FY2021 as compared to negative S$1,428,000 for FY2020.

(iii) The newly incorporated entities in FY2020 and FY2021, namely Natasha Beverly Sdn Bhd, Beverly Ipoh Sdn Bhd, Natasha Beverly Aesthetics Sdn Bhd, Natasha Beverly Dental Sdn Bhd, Beverly Dentistree Sdn Bhd and Natasha Beverly Mizu Sdn Bhd had contributed S$951,000 of revenue to the Group in FY2021 as compared to S$53,000 for FY2020.

The above is achieved with the domestic market alone due to the border closure measures undertaken by the Malaysia government during the Covid-19 pandemic. The historical track records have shown that the Beverly Wilshire group of companies' overseas business contribution to be approximately 45% to 50% of its total revenue. With Malaysia allowing interstate travel from 11 October 2021, the opening of the vaccinated travel lane between Singapore and Kuala Lumpur from 29 November 2021, the opening of land borders between Singapore and Malaysia from 1 April 2022 as well as Malaysia's plans to reopen borders to foreign tourists in 2022, the Group is cautiously optimistic that the influx of interstate and foreign customers will further increase its revenue and improve its financial results going forward.

(b) Continuing fund-raising efforts

(i) BWMC had on 28 May 2020 entered into a letter of offer with a Malaysian bank in relation to the granting of banking facilities of up to RM7 million (approximately S$2,333,000) to BWMC. BWMC had on 18 August 2020 entered into a banking facilities agreement with the Malaysian bank. As at 31 December 2021, BWMC has drawn down the loan facility of RM3 million (approximately S$1 million) and the loan balance as at 31 December 2021 is S$726,000. In addition, as at December 2021, the invoice financing balance is S$552,000. The loan facilities available to BWMC as at 31 December 2021 is S$781,000.

(ii) On 2 June 2021, the Company completed the allotment and issuance of 2,112,779,425 shares at an issue price of S$0.001 per share and 2,112,779,425 warrants pursuant to a deed poll executed by the Company on 28 April 2021, each convertible into one share at an exercise price of S$0.001 per W240531 Warrant, for an aggregate amount of S$2,112,779 under a rights issue exercise (the "**2021 Rights Cum Warrants Issue**").

(iii) In July 2021, the Company signed a subscription agreement for private placement amount of S$105,000 which will be used to fund future expansions through mergers and acquisitions and for the Group's working capital.

(iv) In October 2021, the Company had engaged Astramina Advisory Sdn Bhd ("**Astramina**"), a corporate finance advisory firm licensed with the Securities Commission Malaysia to refer or introduce investors for subscription of shares in the Company. As at the date of this Annual Report, Astramina has successfully assisted the Company in signing 6 subscription agreements for total private placement amounts of S$630,000, of which the proceeds will be used to fund growth, development and expansion of its existing aesthetic medical and healthcare business and for the Group's working capital.

(v) In January 2022, the Company had engaged Chadway Management Services Pte Ltd ("**Chadway**"), an exempt financial institution under the Securities and Futures Act to refer or introduce investors for subscription of shares in the Company. As at the date of this Annual Report, Chadway had successfully assisted the Company in signing 11 subscription agreements for total private placement amounts of S$1,365,000, of which the proceeds will be used to fund growth, development and expansion of its existing aesthetic medical and healthcare business and for the Group’s working capital.

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 Company intends to raise new funds of S$6,000,000 by June 2022 (of which S$3,477,000 (S$2,847,000 in 2021 and S$630,000 in the first quarter of 2022) 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 S$735,000 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$18,000,000 by December 2023 to acquire profitable beauty and healthcare medical clinics as part of the Group’s strategic plan to turn around the Company.

SGX-ST Query 2:

On 13 April 2022, the Company announced the disclaimer of opinion by its independent auditors, RT LLP (the “Auditors”) for the FY2021 audit.

The Auditors had expressed material uncertainties on the Group’s and the Company’s ability to continue as going concerns and whether the use of the going concern assumption in the preparation of the accompanying financial statements of the Group and the Company is appropriate for FY2021.

The Group incurred a total loss of S$2.856 million and net operating cash outflow of S$683K in FY2021. As at 31 December 2021, the Group is in a net liability position of S$3.841 million.

Nevertheless, the Board believes that the use of going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2021 is appropriate after considering (i) the Group’s better financial performance from aesthetic medical and healthcare segments in Malaysia which is expected to continue; and (ii) the Company’s continuing fund-raising efforts.

The Company completed a Rights Cum Warrants Issue and 2 placements in 2021 and another placement completed recently in March 2022, raising a total of S$3.477 million.

The Company had reported the use of proceeds of these fund-raising exercises in its FY2021 Annual Report as follows:

(i) 2021 Rights Cum Warrants Issue (S$2.112 million) – Amount allocated for working capital needs (which accounts for 50%) fully utilized

(ii) 2021 Private Placements (S$0.735 million) – Amount allocated for working capital needs (which accounts for 50%) fully utilized

(iii) 2022 March Private Placement (S$0.63 million) – About 50% utilized mainly for working capital needs.

- **Please explain why the Board responded to SGX's queries that the Company has no operating income, but yet, it is disclosed in the annual report that the Board is of the view that "better financial better financial performance from aesthetic medical and healthcare segments in Malaysia is expected to continue".**

  Company's Response

The Company, which is an investment holding company, has no operating income. The Group, comprising the Company and its subsidiaries, has operating income from its healthcare and beauty business in Malaysia and steel trading business in Singapore. However, the Beverly BW Group has just begun to turnaround to profitability in FY2021 with small positive earnings before EBITDA of S$454,000 for FY2021. which is not presently sufficient to cover the $1.5 million recurring expenses of the head office. Furthermore, the Company is entitled to only 51% of the profits of the BW Group. It is expected that with the anticipated increase in revenue and profits with the influx of interstate and foreign customers arising from Malaysia's plans to reopen borders to foreign tourists in 2022, the Group would be able to look into some form of support from the BW Group in future.

- **Please provide a detailed breakdown on how the proceeds from the Rights cum Warrants Issue and the past 2 private placements were utilized for the Company's general working capital needs.**

  Company's Response

  (i) As at the date of the FY2021 Annual Report dated 13 April 2022, the net proceeds raised from the placement completed in March 2022 (the "**March 2022 Subscriptions**") 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 use of proceeds for the March 2022 Subscriptions is in accordance with the stated use and is in accordance with the allocated percentages for the stated use.

The amount utilized for working capital was S$264,000 and was used to pay for (i) partial FY2021 audit fees amounting to $125,000; (ii) outstanding directors' fees for the financial year ended 31 December 2021 amounting to $70,000; (iii) salaries amounting to $42,000; (iv) rental expenses amounting to $12,000; (v) additional listing fees to SGX amounting to $9,000; and (iv) other operating expenses amounting to $6,000.

(ii) As at the date of the FY2021 Annual Report dated 13 April 2022, the net proceeds raised from the placement completed in December 2021 (the "**December 2021 Subscriptions**") 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 December 2021 Share Subscriptions					
(i)	For general working capital needs	50	329	329	-
(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	329	-	329
Total		100	658	329	329

The use of proceeds for the December 2021 Subscriptions is in accordance with the stated use and is in accordance with the allocated percentages for the stated use.

The amount utilized for working capital was S$329,000 and was used to pay for (i) salaries amounting to $169,000; (ii) Sponsor fees amounting to $42,000; (iii) partial FY2021 audit fees amounting to $36,000; (iv) rental expenses amounting to $25,000 (v) secretarial fees amounting to $16,000; (vi) SGX half-annual listing fees amounting to $16,000; (vii) EGM expenses $11,000 and (vii) other operating expenses amounting to $14,000.

(iii) As at the date of the FY2021 Annual Report, the net proceeds raised from the Rights Cum Warrants Issue completed in June 2021 (the "**2021 Rights cum Warrants Issue**") 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 2021 Rights Cum Warrants Issue					
(i)	For general working capital needs	50	941	941	-
(ii)	For the future expansion of the Group, including but not limited to mergers with and acquisitions of similar businesses	50	941	558	383
Total		100	1,882	1,499	383

The use of proceeds for the 2021 Rights cum Warrants Issue is in accordance with the stated use and is in accordance with the allocated percentages for the stated use.

The amount utilized for working capital was S$941,000 and was used to pay for (i) salaries amounting to $453,000, (ii) FY2020 audit fees amounting to $164,000, (iii) outstanding directors' fees for the financial year ended 31 December 2020 amounting to $121,000, (iii) Sponsor fees amounting to $90,000; (iv) rental expenses amounting to $57,000; and (v) secretarial fees amounting to $56,000.

- **Please clarify why is the Company dependent on continuing fund raisings for its general working capital needs, including the recurring annual expenses of S$1.5 million mentioned in question 1.**

<u>Company's Response</u>

Please refer to our response to Question 1.

- **Were the proceeds utilized to increase value for the Company? Please provide details.**

<u>Company's Response</u>

Part of the net proceeds from the March 2022 Subscriptions and the 2021 Rights cum Warrants Issue have been utilized for both (i) general working capital needs and (ii) for the future expansion of the Group, including but not limited to mergers with and acquisitions of similar businesses. Part of the net proceeds from the December 2021 Subscriptions have been utilized for general working capital needs.

The usage of proceeds for the general working capital needs may not directly increase value for the Company. However, the proceeds are necessary to maintain the operations of the head office in Singapore which functions as the corporate and compliance role in the Group.

The usage of proceeds for the future expansion of the Group would generate value for the Company in terms of bringing in additional revenue and profits. For instance:

(i) In relation to the March 2022 Subscriptions, the amount of proceeds which have been utilized for future expansion of the Group amounts to S$33,000 as of the date of this announcement and was used to fund an upcoming joint venture in Malaysia providing business to business ("**B2B**") marketing services for our beauty and healthcare business. The parties have entered into an advance agreement which provides for the refund of the advance to the Group by the joint venture partner if the joint venture does not materialize. The Company is in final stages of negotiating the terms with the parties for the joint venture. The details of this joint venture would be announced to shareholders in due course; and

(ii) In relation to the 2021 Rights Cum Warrants Issue, the amount of proceeds which have been utilized for future expansion of the Group amounts to S$558,000 as of the date of this announcement was used to fund (i) capital injections into new joint venture companies in Malaysia, namely, Beverly Ipoh Sdn Bhd, Natasha Beverly Dental Sdn Bhd, Beverly Dentistree Sdn Bhd and Natasha Beverly Mizu Sdn Bhd amounting to $142,000 which had generated revenue for the Group amounting to $661,000 in FY2021 (ii) legal fees amounting to $187,000; (iii) other consultants and professional fees amounting to $130,000; (iv) Sponsor fees amounting to $62,000; and (v) other miscellaneous fees amounting to $65,000.

SGX-ST Query 3:

The Company intends to raise new funds of S$6 million by June 2022 (of which S$3.477 million has been raised via the Rights cum Warrants Issue in 2021 and 3 rounds of placement exercises, and for which S$1.015 million remains unutilised) for additional working capital and to fund growth and development.

- **Has the Company considered other means of financing and /or by generating cashflows from its operations, other than through private placements?**

  Company's Response

  To date, the Company has been successful in securing placement funds as a short-term measure to support its annual recurring expenses. The Company may also consider other means of financing such as the issuance of convertible loans. In the mid to longer-term, the Group and Company have the following strategic expansion plans to increase their operating cashflow:

  i) setting up 1 Beverly Wilshire 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 Group;
  iv) expanding to become a recognised regional player in beauty and wellness by setting up centres in Australia, Cambodia, China, Indonesia, Singapore, and Vietnam; and
  v) expanding through mergers and acquisitions and organic growth, locally and overseas.

The BW Group has just begun to turnaround to profitability in FY2021 with small positive earnings before EBITDA of S$454,000 for FY2021 which is not presently sufficient to cover the $1.5 million recurring expenses of the head office. Furthermore, the Company is entitled to only 51% of the profits of the BW Group. It is expected that with the anticipated increase in revenue and profits with the influx of interstate and foreign customers arising from Malaysia's plans to reopen borders to foreign tourists in 2022, the Group would be able to look into some form of support from the BW Group in future.

- **Does the Company have concrete plans with regards to use of proceeds to fund “growth and development”? Are such “growth and development” supported by definitive agreements? If so, please provide details. If not, please explain the Board’s rationale for raising further funds.**

  Company’s Response

  The proceeds that had been utilized were used to fund new joint ventures namely, Beverly Ipoh Sdn Bhd, Natasha Beverly Dental Sdn Bhd, Beverly Dentistree Sdn Bhd and Natasha Beverly Mizu Sdn Bhd which are supported by definitive agreements and legal and professional fees in relation thereto. The remaining proceeds that have not been utilized will be retained for future expansion for both organic growth and mergers and acquisitions (“**M&A**”) The Company has been actively looking out for M&A opportunities, though it is not possible to disclose any concrete plans at this preliminary stage.

- **How is such proposed placements for additional working capital in the best interest of the Company and its shareholders?**

  Company’s Response

  The current method of proposed placements for additional working capital will enable the Company to fund its operating costs in the short-term. This enables the Company to continue operating as a going concern while the Group works towards its mid to longer-term plans of its strategic expansion plans in order to turn the Group’s business around and to achieve profitability.

- **What are the safeguards and controls put in place over (a) the un-utilised proceeds from fund raising exercises, and (b) other liquid assets in general?**

  Company’s Response

  (a) All proceeds from fund-raising are kept in the Company’s bank account in Singapore where there is in place proper authorization limits for withdrawal of funds. There are two groups of signatories, with Group A comprising the Executive Directors and management and Group B comprising the senior finance team. Bank approvals for disbursements greater than $10,000 would require one approval from Group A and one approval from Group B. The Audit Committee currently approves disbursements of funds exceeding $50,000 and delegates authority for transactions below those limits to management so as to optimise operational efficiency. At the management level, the Executive Chairman and CEO approves payments (other than recurring payments such as monthly rental and salaries) exceeding $5,000.

  Aside from the above, the Company maintains proper records for tracking of the usage of funds.

  (b) The Company has no other liquid assets.

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

25 April 2022

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*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).