

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

ENTRY INTO TERM SHEET FOR PROPOSED 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**”), an indirectly-owned subsidiary of the Company, had on 21 August 2020 entered into a non-binding term sheet and on 24 August 2020 entered into a supplemental letter (collectively, the “**Term Sheet**”) with Dermatology & Surgery Clinic Pte Ltd (“**DS**”) to establish a joint venture for the purposes of providing healthy aging, regenerative medicine and health screening services (Natasha Beverly and DS collectively, the “**Parties**”).

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 DS

DS is a company incorporated in Singapore and its principal business is the provision of all-round dermatology treatment solutions, specialised in skin cancer, skin diseases and aesthetic procedures.

DS is not related to the Directors, substantial shareholders of the Company, or their respective associates. As of the date of this announcement, DS does not hold any shares in the share capital of the Company (“**Shares**”) or any other shareholding interest (direct or indirect) in the Company. Each of the directors and shareholders of DS is also not related to the Directors, substantial shareholders of the Company, or their respective associates. As of the date of this announcement, each of the directors and shareholders of DS does not hold any Shares or any other shareholding interests (direct or indirect) in the Company.

3. MATERIAL TERMS OF THE TERM SHEET

3.1 Company Formation and Paid-Up Capital Consideration

- (a) For the purposes of the joint venture, the Company has incorporated a company in Malaysia named DS Beverly Sdn. Bhd. (the “**JVCo**”). As of the date hereof, the issued and paid-up capital of the JVCo is RM100 comprising 100 ordinary shares, of which 70% is held by Natasha Beverly and 30% is held by Howard Ng How Er, a director of Natasha Beverly and the Company.

- (b) Subject to entry into the definitive agreement(s), the JVCo shall eventually be jointly owned by Natasha Beverly and DS in the following proportions:

Natasha Beverly : 70%

DS : 30%

- (c) Subject to entry into the definitive agreement(s), the paid-up capital of the JVCo shall be RM1,428,571, of which RM1,000,000 shall be contributed by Natasha Beverly in kind in the form of renovation and works done on the first and mezzanine floors of the furnished building to be used as the business premises for the operations of the JVCo, and RM428,571 shall be contributed by DS in cash.

3.2 Board Composition

The board of directors of the JVCo shall consist of three (3) representatives from Natasha Beverly and two (2) representatives from DS. The Chairman of the Board shall be appointed from one of the representatives from Natasha Beverly.

3.3 JVCo Business Commencement Date

The Parties have agreed upon a tentative business commencement date of 1 September 2020 for the JVCo or later if practicable, subject to the definitive agreement(s) being signed and executed prior to the commencement date and subject to such extension(s) as may be necessary and mutually agreed to in writing by the Parties from time to time.

3.4 Execution of Definitive Agreement(s)

The Parties shall, acting reasonably and in good faith, execute the definitive agreement(s) setting out the terms and conditions of the proposed transaction by 31 December 2020, subject to such extension(s) as may be mutually agreed to in writing by the Parties from time to time.

4. **RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES**

Based on the latest announced consolidated financial statements of the Group for the 3-month period ended 30 June 2020 ("2Q2020"), 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	2.11% ⁽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 only been recently incorporated.
- (3) Based on the initial paid capital to be contributed by Natasha Beverly of RM1,000,000 (or equivalent to approximately S\$333,333), compared to the Company's market capitalisation of approximately S\$15,811,690. The market capitalisation of the Company was computed based on its existing share capital of 15,811,689,664 Shares (excluding treasury shares) and the VWAP of S\$0.001 per Share on 20 August 2020 (being the last market day on which the Shares were traded preceding the date of the Term Sheet).
- (4) Not applicable as there are no equity securities issued as consideration.
- (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.

5. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above, none of the Directors or controlling shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the abovementioned transaction (other than through their interests in the shares of the Company, if any).

6. FURTHER ANNOUNCEMENTS

The Company will make further announcements to inform shareholders of any material updates or developments as and when it may be deemed necessary or appropriate.

7. 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.

8. **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

28 August 2020

This announcement has been prepared by the Company and its contents have 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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