

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

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**LAPSE OF TERM SHEET AND ENTRY INTO NEW TERM SHEET AND DEFINITIVE AGREEMENTS  
FOR JOINT VENTURE**

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**1. INTRODUCTION**

The board of directors (the “**Board**” or “**Directors**”) of Beverly JCG Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements on 17 April 2020, 20 April 2020 and 29 April 2020 in relation to the incorporation of Beverly Ipoh Sdn. Bhd. (“**Beverly Ipoh**” or the “**JVCo**”), a subsidiary company of the Group held through the Company’s wholly-owned subsidiary, JCG-Beverly Pte. Ltd. (“**JCGB**”), and the Company’s announcement on 19 June 2020 in relation to the entry into a non-binding term sheet (the “**Term Sheet**”) on 8 June 2020 with Chong Yee Leng (“**Dr Elaine**”) (JCGB and Dr Elaine collectively, the “**Parties**”) to establish a joint venture for the purposes of providing aesthetic medicine procedures through Beverly Ipoh (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. LAPSE OF THE TERM SHEET**

Pursuant to the Term Sheet, the Parties shall, acting reasonably and in good faith, execute the definitive agreement(s) for the Proposed Transaction within 21 days from the execution of the Term Sheet, subject to such extension(s) as may be mutually agreed to in writing by the Parties from time to time. The Board wishes to announce that as of 29 June 2020, the definitive agreement(s) had not been executed and the Term Sheet was not extended. Accordingly, the Term Sheet had lapsed on 29 June 2020.

**3. ENTRY INTO THE DEFINITIVE AGREEMENTS**

The Board is pleased to announce that subsequent to the lapse of the Term Sheet and pursuant to further discussions between the Parties on the Proposed Transaction, JCGB had on 7 September 2020 entered into (a) a joint venture agreement with Dr Elaine (the “**JVA**”); and (b) a shareholders’ agreement with Dr Elaine, Howard Ng How Er and Beverly Ipoh (the “**SHA**”), each in relation to the Proposed Transaction.

**4. INFORMATION ON BEVERLY IPOH**

Beverly Ipoh is a company incorporated in Malaysia on 7 April 2020 for the purposes providing aesthetic medicine procedures, including the provision of minimally invasive aesthetic procedures and injectables and non-invasive aesthetic treatments and machine assisted procedures.

Beverly Ipoh had been incorporated with an issued and paid-up share capital of RM100 comprising 100 ordinary shares (the “**Beverly Ipoh Shares**”) held by the following parties in the proportion set out below:

<b>Name of Shareholder</b>	<b>No. of Shares</b>	<b>Shareholding Percentage</b>
Howard Ng How Er (holding on trust for JCGB by way of a trust deed dated 17 April 2020)	51	51%
Dr Elaine	49	49%
<b>Total</b>	<b>100</b>	<b>100%</b>

As of the date of this announcement and pursuant to the transfer of 19 Beverly Ipoh Shares from Dr Elaine to Howard on 19 August 2020, the Beverly Ipoh Shares are held by the following parties in the proportion set out below:

<b>Name of Shareholder</b>	<b>No. of Shares</b>	<b>Shareholding Percentage</b>
Howard Ng How Er (holding on trust for JCGB by way of a trust deed dated 17 April 2020)	70	70%
Dr Elaine	30	30%
<b>Total</b>	<b>100</b>	<b>100%</b>

The Parties intend that the paid-up share capital of Beverly Ipoh shall be increased to RM500,000 divided into 500,000 Beverly Ipoh Shares within 5 months from the date of the SHA, and the Beverly Ipoh Shares shall eventually be held by the following parties in the proportion set out below:

<b>Name of Shareholder</b>	<b>No. of Shares</b>	<b>Shareholding Percentage</b>
Howard Ng How Er (holding on trust for JCGB)	350,000	70%
Dr Elaine	150,000	30%

<b>Total</b>	<b>500,000</b>	<b>100%</b>
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Pursuant to the JVA:

- (a) JCGB shall subscribe for 350,000 Beverly Ipoh Shares for the total sum of RM350,000; and
- (b) Dr Elaine shall subscribe for 150,000 Beverly Ipoh Shares for the total sum of RM150,000.

As Beverly Ipoh was only recently incorporated and has not commenced operations nor does it own any assets, the book value and net tangible asset value of the Beverly Ipoh Shares is zero and the latest available open market value of the Beverly Ipoh Shares is unavailable. No valuation of the Beverly Ipoh or the Beverly Ipoh Shares has been commissioned by JCGB.

## 5. INFORMATION ON DR ELAINE

Dr Elaine is Medical Aesthetic Doctor. She graduated with a MBBS (Bachelor of Medicine Bachelor of Surgery) from Malacca Manipal Medical College. She also has a Diploma in Aesthetic Medicine from the American Academy of Aesthetic Medicine (AAAM). She is a member of Society of Anti-Ageing, Aesthetic and Regenerative Medicine Malaysia (SAAARMM) and Malaysia Medical Association (MMA).

Dr Elaine is not related to the Directors, substantial shareholders of the Company, or their respective associates. As of the date of this announcement, Dr Elaine does not hold any shares in the share capital of the Company or any other shareholding interest (direct or indirect) in the Company.

## 6. MATERIAL TERMS OF THE JVA AND THE SHA

### 6.1 Purpose of the Company

- (a) Pursuant to the JVA and the SHA, it is intended that the principal business activities of Beverly Ipoh shall be the provision of aesthetic medicine procedures, including the provision of minimally invasive aesthetic procedures and injectables and non-invasive aesthetic treatments and machine assisted procedures.
- (b) Pursuant to the JVA, the Parties intend for Beverly Ipoh to commence business on 1 October 2020 or such other date as may be mutually agreed upon in writing (the "**Commencement Date**").

### 6.2 Working Capital

- (c) Pursuant to the JVA, it is the intention of the Parties that the amount of RM350,000 and RM150,000 to be paid by JCGB and Dr Elaine respectively into the account of Beverly Ipoh shall be utilised as working capital of Beverly Ipoh.

- (d) The Parties agree, subject to procedures described in the JVA, to advance further amounts to Beverly Ipoh as and where necessary according to the percentage of their respective shareholding in Beverly Ipoh.

### 6.3 The Option

- (a) Pursuant to the JVA, the Parties agree that, subject to the relevant shareholders' approval of the Company (if necessary), Dr Elaine shall be granted an option to require the Company to purchase all (subject to a minimum of 5%) of her Beverly Ipoh Shares (the "**Option**") for an aggregate consideration based on the latest twelve-month audited accounts of Beverly Ipoh using a price-to-earnings multiple of not less than 5 times Beverly Ipoh'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 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 5 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.

### 6.4 Board of Directors of Beverly Ipoh

- (a) Pursuant to the JVA, the board of directors of Beverly Ipoh shall comprise two representatives of JCGB and one representative of Dr Elaine. In this regard, one of the representatives of JCGB shall be the chairman of Beverly Ipoh.
- (b) The appointment of the Medical Director shall be at the discretion of the Board of Directors of Beverly Ipoh.

### 6.5 Obligations of the Parties

Pursuant to the JVA, the Parties have agreed, among others, that their responsibilities in relation to the operational management of Beverly Ipoh shall be as follows:

- (a) The Board of Beverly Ipoh, in consultation with Dr Elaine, shall oversee the day-to-day management and administration of Beverly Ipoh in the provision of any products developed, or services offered by Beverly Ipoh (the "**Products and Services**"), including

but not limited to, obtaining all licenses and certifications necessary to legally offer the Products and Services; and

- (b) The Parties shall ensure that Beverly Ipoh 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 it is necessary and required to do so.

#### 6.6 The Call Option and the Put Option in Event of Termination of the JVA or the SHA

Pursuant to the JVA and the SHA, subject to the relevant shareholders' approval of the Company (if necessary), the counterparty (the "**Non-Terminating Party**") to the party that initiated the termination of the JVA or the SHA (as the case may be) in accordance with the provisions of the JVA or the SHA (as the case may be) (the "**Terminating Party**") 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 a consideration value that is to be ascertained from an independent third-party company valuation expert; 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 value that is to be ascertained from an independent third-party company valuation expert.

### 7. **RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTION**

JCGB's 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, bringing additional value to the Company and its shareholders.

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

### 8. **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:

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<b>Rule 1006 Bases of calculation</b>	<b>Relative figure %</b>
(a) The net asset value of the assets to be disposed of, as compared with the Group's net asset value	Not applicable <sup>(1)</sup>
(b) The net profits attributable to the assets acquired, compared with the Group's net loss	Not applicable <sup>(2)</sup>

(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	0.37% <sup>(3)</sup>
(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 <sup>(4)</sup>
(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 <sup>(5)</sup>

**Notes:**

- (1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.
- (2) Not applicable as the Beverly Ipoh has only been recently incorporated.
- (3) Based on the initial capital contribution of RM350,000 (or equivalent to approximately S\$117,000) compared to the Company's market capitalisation of approximately S\$31,624,000. 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\$0.002 per Share on 4 September 2020 (being the last market day on which the Shares were traded preceding the date of the SHA).
- (4) Not applicable as there are no equity securities issued as consideration for the Beverly Ipoh 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.

**9. 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.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the JVA and the SHA 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.

**11. FURTHER ANNOUNCEMENTS**

The Company will make further announcements on the Proposed Transaction as and when there are material developments.

## 12. 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.

## 13. 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

10 September 2020

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*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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