

**RESPONSES TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
WITH REGARDS TO THE FY2022 FINANCIAL RESULTS ANNOUNCEMENT DATED 1 MARCH
2023**

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 2 March 2023 from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) with regards to the FY2022 financial results announcement dated 1 March 2023.
- 1.2 Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the FY2022 financial results announcement.

2. SGX-ST QUERIES

SGX-ST Query 1:

Given the Group’s significant liabilities of S\$3.4m and cash and bank balance of only S\$529K as at 31 Dec 2022, and noting that the Company incurred losses of about S\$2.4m in FY2022,

- Please disclose the Board’s assessment

(i) whether the Company’s current assets are adequate to meet the Company’s short-term liabilities, including its bases of assessment; and

(ii) how the Company intends to fulfil its significant payment obligations in the next 12 months. Where the Company has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Company is on track to fulfilling these obligations.

Company’s Response

- (i) The Board’s assessment is that the Company’s current assets are adequate to meet its short-term liabilities into the future, which are supported by the following:
- Cash and cash equivalents of both the Group and the Company as at 31 December 2022 amounted to S\$908k and S\$529k respectively;
 - The Company has entered into advance agreements with the relevant parties as announced on 26 June 2022, 24 August 2022, 14 November 2022 and 27 January 2023 in which the lenders (excluding Dato’ Ng Tian Sang @ Ng Kek Chuan) have agreed to extend a loan at 6% interest per annum while the interest rate for the loans extended by Dato’ Ng Tian Sang @ Ng Kek Chuan is 4% per annum. As of 31 December 2022, the Company has received all the loans amounting to S\$1.65million;
 - Beverly Wilshire Group (“**BW Group**”) contribution of S\$300k as service fees for the management services provided by the Company to the BW Group for the period till December 2023. Additionally, there are ongoing efforts on expenses reduction for the HQ’s operating expenses;
 - On the Company’s S\$3.4 million liabilities as at 31 December 2022, S\$746k has been paid subsequent to 31 December 2022 in the course of normal business operations. Additionally, there are other ongoing efforts that could reduce the Company’s S\$3.4 million net current liabilities include:

- a. Advances and unutilised deposits amounting to S\$575k, which arose from service packages subscribed by the Group's clients which have been classified as normal continuous aesthetic/dental procedures carried out at the Group's medical and/or dental centres;
 - b. Advances from other related parties amounting to S\$364k which has no fixed specific date of repayment;
 - c. A financial support undertaking provided by the Deputy Chairman and CEO, Dato' Ng Tian Sang @ Ng Kek Chuan, to fund the Group as and when the need arises.
- (ii) In addition to what has been referenced above, in relation to the going concern matter, the Company will be embarking on certain near term corporate actions, which entail further consolidation and streamlining of key subsidiaries and businesses given the improvement of FY2022 business performance and a further reduction of liabilities via conversion into equity of Company in which the Company will seek the necessary shareholders' approval in due course once these near term corporate actions are announced. Upon the near term corporate actions being undertaken, further fund raising will also be explored by the Company which Company will announce accordingly.

The Board also held a meeting on 3 March 2023 to deliberate on the financial figures and the circumstances surrounding the Company, to which the Board are of the opinion that the Group is able to meet its liabilities as it falls due.

SGX-ST Query 2:

The Group received a disclaimer of opinion from its auditors for FY2020 and FY2021, and one of the bases for disclaimer of opinion was the assets, liabilities and results of the Group's aesthetic business in Taiwan, iMyth Taiwan Limited ("iMyth Taiwan"). Notwithstanding that the disposal of iMyth Taiwan had been completed in FY2021, the matters which resulted in the disclaimer of opinion remain unresolved with respect to the opening balances of the Group as at 1 January 2021. The Company then reclassified the net assets and liabilities of iMyth Taiwan as disposal group held-for-sale and presented the results of iMyth Taiwan in FY2020 as discontinued operations.

- Please clarify whether this has been resolved and whether it will remain as an item to result in the auditor's disclaimer of opinion for FY2022. Otherwise, please explain to shareholders how does the Company intend to resolve this.

Company's Response

The audit opinion on the consolidated financial statements of the Group for the financial year ended 31 December 2020, which formed the basis for the comparative figures presented in FY2021's consolidated financial statements, was disclaimed by the predecessor auditor, and one of the bases for disclaimer of opinion was the assets, liabilities and results of the Group's aesthetic business in Taiwan.

As iMyth Taiwan has been deconsolidated since FY2020, our auditors' view is that it will not be a disclaimer of opinion in FY2022.

SGX-ST Query 3:

In preparing the Group's FY2022 financials on a going concern basis, the Board has assumed continued financial support from Dato' Ng, Company's ability to repay the interest-bearing loans of S\$915K, provision of management services by the Company to the BW Malaysia Entities (subject to shareholders' approval), continuing improved financial performance of the aesthetic medical and healthcare segment in Malaysia and future fund-raising exercise.

- What are the Board's alternative plans in the event that the Company is unable to raise further funds to support its ongoing operations?

- Does the Board have other plans to turn the Company around / improve its balance sheet?

- Please provide the Board's and Sponsor's reassessment of the Company's ability to operate as a going concern based on the definite events.

Company's Response

Kindly refer to our answers in Query 1 above and these suffice the response to Query 3. Additionally, the Board after having convened a meeting on 3 March 2023 have reviewed, deliberated and concluded that the Company is capable to meet its fund requirements as it falls due.

The Sponsor, having considered the improvement in business performance for FY2022, the near term ongoing plan of corporate actions undertaken by Company as mentioned above, which includes further consolidation of key subsidiaries and conversion of certain liabilities into equity, concurs with the Board's assessment of the Company's ability to operate as a going concern.

BY ORDER OF THE BOARD

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

6 March 2023

This announcement has been prepared by Beverly JCG Ltd. (the "Company"), and its contents have been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "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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