

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

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**DISCLAIMER OF OPINION BY INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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The Board of Directors (the "**Board**" or "**Directors**") of Beverly JCG Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's independent auditor, RT LLP (the "**Auditors**"), has issued a disclaimer of opinion in respect of its Independent Auditor's Report for the financial statements of the Group for the financial year ended 31 December 2023 (the "**Auditor's Report**").

Pursuant to Rule 704(4) and paragraph 3A of Appendix 7C of the Catalist Listing Rules, the Board wishes to update the shareholders on its responses to the key bases for the disclaimer of opinion and the efforts being taken to resolve each outstanding audit issue, as the case may be.

As per the Auditor's disclaimer opinion, the following circumstances give rise to material uncertainties on the Group's and the Company's abilities to continue as going concerns and whether the use of the going concern assumption in the preparation of the financial statements of the Group and the Company is appropriate for the current financial year.

As disclosed in Note 4 to the financial statements, the Group and the Company incurred a total loss of S\$2,412,000 (2022: S\$2,250,000) and S\$1,555,000 (2022: S\$1,745,000) respectively and the Group also incurred net cash outflows of S\$484,000 (2022: S\$414,000) for the financial year ended 31 December 2023. As at 31 December 2023, the Group's and Company's current liabilities exceeded their current assets by S\$4,052,000 (2022:S\$3,453,000) and S\$1,412,000 (2022: S\$1,019,000) respectively.

The Board of Directors believe that the use of the going concern assumption in preparing the financial statements for the financial year ended 31 December 2023 is appropriate after taking into consideration the following assumptions and measures:

- (i) The Company received a financial support undertaking letter from Dato' Ng Tian Sang @ Ng Kek Chuan, whereby he will undertake, for as long as he is a controlling shareholder of the Company, to provide continuing financial cash flow support to the Group to enable it to continue its operations as a going concern and to meet its liabilities as and when they fall due for the next 18 months.
  - (ii) The Company has entered into advance agreements (the "**Advance Agreements**") with each of Yap Mee Lee and Dato' Ng Tian Sang @ Ng Kek Chuan in 2023 pursuant to which the Lenders have agreed to extend unsecured interest-bearing loans for an aggregate amount of S\$370,000. The loans are to be repaid by the Company 12 months from the date of the respective Advance Agreements, with an option for the Company and the respective Lenders to extend the repayment date for another 6 - 12 months. The interest rate for the loans is 6 – 8% per annum. As of 31 December 2023, the Company has received all the loans amounting to S\$370,000. Except for Dato' Ng Tian Sang @ Ng Kek Chuan, who is the Deputy Chairman and CEO of the Company and a controlling shareholder of the Company, the lender, Yap Mee Lee holds shares in the Company, comprising less than 5% of the total issued share capital of the Company and is a director of Albedo Corporation Pte Ltd, a wholly-owned subsidiary of the company has signed a letter, confirming that she is independent and unrelated to the Company. The Company is able to repay the above loans on their respective repayment dates.
  - (iii) The Beverly Wilshire Malaysia Entities have confirmed in writing to the Company that they do not require any additional funding from the Company to continue their operations for the next 18 months as of the date of this announcement.
  - (iv) The financial performance of the aesthetic medical and healthcare segment in Malaysia is expected to improve.
  - (v) Subject to obtaining the permission and necessary approvals of SGX-ST, the Company also intends to raise funds of about S\$2 million or more via future fund-raising exercises, and the Company
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intends to allocate at least 50% of the gross proceeds raised to make profitable acquisitions to further support the Company to operate as a going concern.

The Group acquired a 100% stake in Beverly Bangsar Sdn Bhd (“**BBSB**”) on 15 September 2023 (the “**Acquisition Date**”). A Purchase Price Allocation (“**PPA**”) exercise was conducted by an external expert and pending finalisation at the reporting date. The PPA exercise is expected to be completed latest by 31 August 2024. This is in compliance with Singapore Financial Reporting Standard (International) 3 *Business Combinations*, which allows the Group to complete the assessment of the PPA within a year. The Group is in the midst of completing the formal purchase price allocation and aims to complete the exercise by 31 August 2024.

The Board of Directors believes that no impairment is required on the Group’s property, plant and equipment, the Company’s investments in subsidiaries as well as its amounts due from subsidiaries as at 31 December 2023. The Group has initiated a stringent austerity drive budget in late 2023. Through this strategic move, the Board of Directors is fully confident that it would be able to steer the Group towards improved financial performance by deploying adequate resource reallocation measures.

The Group and the Company remain confident of raising additional funds required and will be able to generate sufficient cash flows from its operations in the next 18 months and therefore the Board of Directors consider it appropriate to prepare the financial statements on a going concern basis.

The Board (i) is of the opinion that sufficient information has been disclosed for the trading of the Company’s securities to continue in an orderly manner; (ii) confirmed that all material disclosures have been provided for the trading of the Company’s shares to continue; and (iii) confirmed that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

This announcement is to be read in conjunction with the attached Independent Auditor’s Report and the Financial Statements.

A copy of the aforesaid Auditor’s Report is annexed to this announcement for further information. The Auditor’s Report and a complete set of the Audited Financial Statements will also be found in the company’s Annual Report 2023 (“**FY2023 Annual Report**”), which will be released on SGXNET. Shareholders of the Company are advised to read this announcement in conjunction with the FY2023 Annual Report.

#### **BY ORDER OF THE BOARD**

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

12 April 2024

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*This announcement has been reviewed by the Company’s Sponsor, Evolve Capital Advisory Private Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).*

*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.*

*The details of the contact person for the Sponsor are:*

*Name: Mr. Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited)  
Address: 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906  
Tel: (65) 6241 6626*

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BEVERLY JCG LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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**Report on the Audit of the Financial Statements**

**Disclaimer of Opinion**

We were engaged to audit the financial statements of Beverly JCG Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

***Basis for Disclaimer of Opinion***

**1. Going concern**

The following circumstances give rise to material uncertainties on the Group's and the Company's abilities 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 statement of financial position of the Company is appropriate for the current financial year.

As disclosed in Note 4 to the financial statements, the Group and the Company incurred total losses of S\$2,412,000 and S\$1,555,000 respectively and as at that date, the Group's and Company's current liabilities exceeded their current assets by S\$4,052,000 and S\$1,412,000 respectively.

Nevertheless, the Board of Directors of the Company believe that the use of the going concern assumption in the preparation of the financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2023 is appropriate after taking into consideration the assumptions and measures elaborated in Note 4 to the financial statements.

The abilities of the Group and of the Company to continue in operational existence in the foreseeable future and to meet their financial obligations as and when they fall due are dependent on the positive outcome of the actions and measures undertaken as disclosed in Note 4 to the financial statements. Therefore, we were unable to obtain sufficient audit evidence to be able to form an opinion as to whether the going concern basis of presentation of the accompanying financial statements of the Group and the statement of financial position of the Company is appropriate.

If the Group and the Company are unable to continue in operational existence in the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to reclassify non-current assets and liabilities to current assets and liabilities respectively. The financial statements do not include any adjustment which may arise from these uncertainties.

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**INDEPENDENT AUDITOR'S REPORT (CONT'D)  
TO THE MEMBERS OF BEVERLY JCG LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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**2. Formal Purchase Price Allocation to be completed**

The Group acquired a 100% stake in Beverly Bangsar Sdn Bhd (“**BBSB**”) on 15 September 2023 (the “**Acquisition date**”).

A Purchase Price Allocation (“**PPA**”) exercise was conducted by an external expert and pending finalisation at the reporting date. The PPA exercise is expected to be completed latest by 31 August 2024. This is in compliance with Singapore Financial Reporting Standard (International) 3 *Business Combinations*, which allows the Group to complete the assessment of the PPA within a year.

Prior to the completion of the formal PPA exercise, the Group has performed a provisional PPA exercise. The provisional PPA exercise has resulted in an element of goodwill amounting to \$1,045,000. A formal PPA exercise is likely to attribute fair values to the respective assets acquired and liabilities assumed which could cause the residual goodwill value to change.

In view of the above, we were unable to obtain sufficient appropriate audit evidence, subject to the completion of the formal PPA exercise, with respect to:

- i. The fair value of identifiable intangible asset of \$345,000;
- ii. The fair value of assets acquired of \$720,000;
- iii. The fair value of the liabilities assumed of \$581,000; and
- iv. The goodwill recognised of \$1,045,000.

**3. Impairment assessment of property, plant and equipment and investments in subsidiaries**

As at 31 December 2023, the carrying amounts of the Group's property, plant and equipment and the Company's investments in subsidiaries were \$3,355,000 and \$10,711,000 respectively. As at 31 December 2023 and 2022, management has not prepared their impairment assessment on the above non-financial assets in accordance with SFRS(I) 1-36 *Impairment of Assets*, and therefore we were unable to obtain sufficient appropriate audit evidence to support the carrying amount of the Group's property, plant and equipment and the Company's investments in subsidiaries as at 31 December 2023 and the corresponding impact to profit or loss for the year then ended. Any impairment loss which might have been necessary on these balances would have increased the loss for the financial year and reduced the net assets as at that date by the same amount.

**4. Impairment assessment of amounts due from subsidiaries**

As at 31 December 2023, the Company's amounts due from subsidiaries amounted to \$728,000. As at 31 December 2023 and 2022, management has not prepared their impairment assessment on this balance in accordance with SFRS(I) 9 *Financial Instruments*, and therefore we were unable to obtain sufficient appropriate audit evidence to support the carrying amount of the Company's amounts due from subsidiaries as at 31 December 2023 and the corresponding impact to profit or loss for the year then ended. Any impairment loss which might have been necessary on this balance would have increased the loss for the financial year and reduced the net assets as at that date by the same amount.

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**INDEPENDENT AUDITOR'S REPORT (CONT'D)  
TO THE MEMBERS OF BEVERLY JCG LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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**Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967 (the "Act") and the Singapore Financial Reporting Standards (International) ("SFRS(I)"), and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

**Report on Other Legal and Regulatory Requirements**

In our opinion, in view of the significance of the matters referred to in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Kenneth Ng Boon Chong.

RT LLP

Public Accountants and  
Chartered Accountants  
Singapore, 5 April 2024

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