BEST WORLD INTERNATIONAL LIMITED

Company Registration No. 199006030Z

PROPOSED ACQUISITION OF FACTORY FACILITY

1. INTRODUCTION

The Board of Directors (the "**Board**") of Best World International Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, Avance Living Pte. Ltd., (the "**Purchaser**") has entered into a sale and purchase agreement (the "**Agreement**") dated 10 May 2016 with AM Automotive Services Pte. Ltd. (the "**Vendor**"), an unrelated party, in respect of the purchase of a property located at 1 Tuas Basin Link, Singapore 638755 (the "**Property**") (collectively, the "**Proposed Acquisition**").

2. INFORMATION RELATING TO THE PROPERTY

The Property is located at Lot 4497W of Mukim 7, 1 Tuas Basin Link, Singapore 638755 and has an area of approximately 4,550 square metres. The Property is held under a lease issued by Jurong Town Corporation ("**JTC**") for a term of 30 years commencing on 16 July 1994, with a covenant by JTC to grant a further term of 30 years subject to the terms and conditions of the lease. The Property is zoned for industrial usage.

3. RATIONALE

The Company is of the view that the Proposed Acquisition is in line with the Group's strategy to set up a skincare manufacturing facility in Singapore, in order to tap into the value chain of manufacturing activities and to achieve better control over the production and quality of the Group's skincare products. The Property will be occupied by the Group and will facilitate the growth of its operations.

4. VALUATION AND PURCHASE CONSIDERATION

A valuation of the Property, commissioned by the Purchaser, has been conducted by Dennis Wee Realty Pte Ltd (the "**Valuer**"). Based on the valuation report (the "**Valuation Report**") prepared by the Valuer, the open market value of the Property is approximately S$10,000,000 as at 10 May 2016 (the "**Valuation**").

Pursuant to the terms and conditions of the Agreement, the consideration for the Proposed Acquisition is S$10,000,100 (the "**Consideration**"). The Consideration was determined on a "willing buyer-willing seller" basis after taking into account various factors including (i) the location of the Property; (ii) the recent transacted prices for similar properties in the vicinity of the Property; and (iii) the Valuation. The Consideration and the applicable goods and services tax ("**GST**") shall be paid in cash as follows:

(a) a deposit of S$1,000,010 and applicable GST shall be payable by the Purchaser to the Vendor's solicitors as stakeholder upon execution of the Agreement, to be released to the Vendor upon completion of the Proposed Acquisition ("**Completion**"); and

(b) the remaining amount of S$9,000,090 and applicable GST shall be payable by the Purchaser to the Vendor upon Completion.

The Proposed Acquisition will be funded through a combination of internal resources and bank borrowings.

5. MATERIAL CONDITIONS OF THE PROPOSED ACQUISITION

The Proposed Acquisition is subject to and conditional upon in-principle approval being obtained from JTC ("**JTC Approval**") within 10 weeks from the date of the Agreement for:

(a) the Proposed Acquisition;

(b) change of the approved use of the Property to include the storage, manufacturing and/or packing of beauty and skincare products; and

(c) grant from JTC to the Purchaser of a further lease term of 30 years from 16 July 2024 in respect of the Property on the same terms which JTC had granted to the Vendor.

The Property is sold on an "as is where is" basis, with vacant possession to be given to the Purchaser on Completion. Completion is expected to take place on 15 August 2016 or the date falling four (4) weeks from the date of the final approval letter from JTC confirming, *inter alia*, that all conditions stipulated in the JTC Approval have been satisfied and that the Vendor and the Purchaser may proceed with Completion, whichever is the later.

6. FINANCIAL EFFECTS

For illustrative purposes only, based on the Group's audited financial statements for the financial year ended 31 December 2015, the financial effects of the Proposed Acquisition are estimated as follows:

Net tangible assets per share

Assuming that the Proposed Acquisition had been completed on 31 December 2015:

	Before	**After**
Net tangible assets (S$'000)	56,682	56,444
Number of issued shares	220,183,864	220,183,864
Net tangible assets per share (cents)	25.74	25.63

Earnings per share

Assuming that the Proposed Acquisition had been completed on 1 January 2015:

	Before	**After**
Profits after tax attributable to equity holders of the Company (S$'000)	10,104	8,893[(1)]
Weighted average number of shares	220,183,864	220,183,864
Earnings per share (cents)	4.59	4.04

Note:

(1) This is determined on the basis that 20% and 80% of the Proposed Acquisition will be financed from internal resources and bank borrowings respectively. For illustrative purposes, we have assumed that a three year term loan of S$8 million with an interest rate of approximately 2.4% per annum will be undertaken. Adjustments have been made for expenses which are expected to be incurred by the Group for the Proposed Acquisition including, *inter alia*, depreciation and land lease expenses.

7. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "LISTING MANUAL")

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value as at 31 March 2016.	Not applicable as the Proposed Acquisition relates to an acquisition of asset.
Rule 1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits for the financial period ended 31 March 2016.	Not applicable as the Property is purchased for the Group's use.
Rule 1006(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.	5.24%(1)
Rule 1006(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 as there are no equity securities issued as consideration pursuant to the Proposed Acquisition.
Rule 1006(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 as the Proposed Acquisition does not relate to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

Note:

(1) The relative figure under Rule 1006(c) is derived based on the aggregate value of the Consideration given and the market capitalisation of the Company of S$190,877,391 (determined by multiplying the existing number of shares in issue (i.e. 220,183,864 shares) by S$0.8669, being the weighted average price of the Company's shares transacted on 10 May 2016).

As the relative figure under Rule 1006(c) of the Listing Manual exceeds 5% but does not exceed 20%, the Proposed Acquisition constitutes a disclosable transaction under Chapter 10 of the Listing Manual.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

No directors are proposed to be appointed to the Company, and no service contracts are to be entered into by the Company, in connection with the Proposed Acquisition.

None of the directors or controlling shareholders of the Company has any interest, whether direct or indirect, in the Proposed Acquisition (other than through their shareholdings in the Company).

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement and the Valuation Report are available for inspection at the registered office of the Company at 26 Tai Seng Street, #05-01, Singapore 534057 during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Huang Ban Chin
Director and Chief Operating Officer
11 May 2016