



BEST WORLD INTERNATIONAL LTD

(Company Registration: 199006030Z)

Incorporated in the Republic of Singapore

Annual General Meeting Questions & Answers

Important Notice:

With reference to our announcement made on 22 March 2024 titled “Update on Options for Delisting Exercise” and 3 April 2024 titled “Exit Offer by the Company by way of a proposed Selective Capital Reduction and proposed Delisting of the Company”, the Company is currently working with the Securities Investors Association Singapore (“SIAS”) to hold a dialogue session with shareholders prior to the convening of an EGM in relation to the Exit Offer. We encourage shareholders to ask questions only on relevant issues pertaining to the business of the company and to the resolution being considered during the AGM in order that the meeting can proceed in an orderly and expeditious manner. More details in relation to the dialogue session will be announced on SGXNet in due course.

No.	Questions from Shareholders	Replies
Dividends		
1	I don't see any resolution tabled on dividends. Can the Board share on reason why?	<p>No resolution in relation to dividends was tabled for the AGM as the Company intends to capitalise approximately S\$370 million of its retained earnings arising from the proposed corporate action, the Selective Capital Reduction. For more information in relation to the Selective Capital Reduction, please refer to our announcement made on 22 March 2024 titled "Update on Options for Delisting Exercise" and 3 April 2024 titled "Exit Offer by the Company by way of a proposed Selective Capital Reduction and proposed Delisting of the Company" ("Exit Offer Announcement").</p> <p>In addition, the remaining cash in the Company as at 31 December 2023 of approximately S\$68 million will be used for the Company's share buyback conducted on 15 April 2024 as well as the Group's short and medium-term commitments which include but are not limited to, working capital requirements and corporate actions capital needs, as well as taking into consideration the uncertain business climate as explained further in the FY2023 results announcement.</p>
Others		
1	Reference the earlier announcements, is there going to be an EGM after this AGM to vote for the share cancellation proposal? I have not received any circular on the proposed share cancellation exercise other than the company announcements below attached. Can the Board clarify on these matters?	<p>The Exit Offer will be subject to various procedures and approvals, which includes the following:</p> <ol style="list-style-type: none"> 1) Approval by the SGX-ST of the circular to Shareholders for the convening of an EGM in relation to the Exit Offer; 2) Shareholders' approval at the EGM; and 3) The approval of the Selective Capital Reduction by the Court. <p>Upon approval by the SGX-ST, the circular to Shareholders setting out relevant information relating to the Exit Offer and containing the advice of the IFA and the recommendation of the Recommending Directors, together with the notice of the EGM to be convened to seek the approval of the Shareholders for the Resolutions, will be despatched to Shareholders in due course.</p>

2	<p>(a) For the share cancellation exercise, the company will be capitalising the retained earnings reserves and therefore allotting 1 new share for each share held by existing shareholder; is that correct? (That means, if a shareholder holds 1000, he/she gets another 1000 shares?)</p> <p>(b) These new allotted shares are then immediately cancelled. Is that correct?</p> <p>(c) What is the price used to convert reserves to new shares to be allotted and cancelled? Is it also \$2.50?</p> <p>(d) Do we get to vote on this conversion of reserves to new shares to be allotted? In the EGM?</p>	<p><u>Items (a) and (b)</u> Yes, to items (a) and (b). With reference to paragraphs 3, 8.2, 8.3 and 8.7 of the Exit Offer Announcement, there is insufficient share capital to undertake the Selective Capital Reduction and the Company therefore intends to capitalise part of its retained earnings prior to undertaking the Selective Capital Reduction exercise. It is intended that Additional Shares shall be allotted, issued and credited as fully paid-up to the Shareholders on the basis of one Additional Share to one Share held by a Shareholder which will be immediately cancelled in their entirety without any distribution to the Shareholders (collectively, “Capitalisation”).</p> <p><u>Item (c)</u> As stated in the Exit Offer Announcement, S\$375,369,733 of the Company’s retained earnings shall be applied in paying up for the allotment and issuance of new Shares (“Additional Shares”), which translates to the price of \$0.8720 per Additional Shares, on the basis of one Additional Share to one Share held by a Shareholder which will be immediately cancelled in their entirety without any distribution to the Shareholders. The resultant share capital will be increased to S\$377,713,135. The Capitalisation is to ensure that there is sufficient share capital such that upon completion of the Selective Capital Reduction, each Eligible Shareholder would receive S\$2.50 for each Share held.</p> <p><u>Item (d)</u> Yes, paragraph 8.2 of the Exit Offer Announcement states that the Company intends to seek Shareholders’ approvals at an EGM for the following:</p> <ul style="list-style-type: none"> (i) the proposed Capitalisation by way of an ordinary resolution pursuant to Regulation 141 of the Company’s constitution (“Capitalisation Resolution”); (ii) the proposed Selective Capital Reduction by way of a special resolution approved by a majority of at least 75 per cent of all Shares held by the Eligible Shareholders present and voting at the EGM pursuant to Section 78G of the Companies Act (“SCR Resolution”); and
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		<p>(iii) the proposed delisting by way of a special resolution under Rules 1307 and 1309 of the Listing Manual. Such special resolution requires the approval of a majority of at least 75 per cent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders (excluding the Non-Participating Shareholders and their concert parties) present and voting, on a poll, either in person or by proxy at the EGM to be convened for the Shareholders to vote on this resolution (“Delisting Resolution”). The Non-Participating Shareholders and their concert parties must abstain from voting on the resolution. (collectively, “Resolutions”)</p> <p>As such, Shareholders would be voting on the Capitalisation which includes the allotment and issuance of shares which will then be cancelled in their entirety without any distribution to the shareholders.</p> <p>Further to the above, Shareholders are to note paragraph 8.3 of the Exit Offer Announcement which states that the Resolutions above are intended to be inter-conditional upon one another. This means that if any of the Resolutions is not approved, the other Resolutions will not be passed.</p> <p>Paragraph 8.7 further states that the Exit Offer is conditional upon Shareholders’ approvals of the Resolutions and the approval and confirmation of the Selective Capital Reduction by the Court.</p> <p>For any further questions in relation to the Exit Offer, please refer to the Important Notice on page 2 of this Question and Answers document where the relevant forum is currently being set up for shareholders to participate in due course.</p>
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