

APPENDIX DATED 11 APRIL 2017

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is circulated to the Shareholders (as defined in this Appendix) of Best World International Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 31 December 2016 (the “**Annual Report**”). Its purpose is to explain to the Shareholders the rationale and provide information to the Shareholders for the Proposed Change of Auditors (as defined in this Appendix) to be tabled at the annual general meeting of the Company (“**AGM**”) to be held at the Auditorium at 26 Tai Seng Street, #04-01, Singapore 534057 on 26 April 2017 at 10.00 a.m..

The Notice of the AGM and a proxy form are enclosed with the Annual Report.

If you have sold all your Shares (as defined in this Appendix), you should immediately forward this Appendix, the Annual Report and proxy form to the purchaser or to the bank, stockbroker or agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.



BEST WORLD INTERNATIONAL LIMITED
(Incorporated in the Republic of Singapore on 11 December 1990)
(Company Registration No. 199006030Z)

APPENDIX TO SHAREHOLDERS
IN RELATION TO
THE PROPOSED CHANGE OF AUDITORS

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DEFINITIONS

For the purpose of this Appendix, the following definitions have, where appropriate, been used:

“2017 AGM”	: The annual general meeting of the Company to be held on 26 April 2017 at 10.00 a.m. at 26 Tai Seng Street, #04-01, Singapore 534057, notice of which is enclosed with the Annual Report 2016
“AGM”	: The annual general meeting of the Company
“Annual Report 2016”	: The annual report of the Company for the financial year ended 31 December 2016
“Board”	: The board of the Directors of the Company for the time being
“CDP”	: The Central Depository (Pte) Limited
“Companies Act”	: The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Company” or “BWI”	: Best World International Limited
“Directors”	: Directors of the Company for the time being
“Ernst & Young”	: Messrs Ernst & Young LLP
“Group”	: The Company and its subsidiaries
“Listing Manual”	: The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“RSM Chio Lim”	: Messrs RSM Chio Lim LLP
“Securities Account”	: Securities accounts maintained by a Depositor with CDP but not including securities sub-accounts maintained with a Depository Agent
“Securities and Futures Act”	: The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Persons who are registered as holders of the Shares except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose Securities Accounts with CDP are credited with the Shares
“Shares”	: Ordinary shares in the capital of the Company

“subsidiaries” : The subsidiaries of a company (as defined in Section 5 of the Companies Act) and **“subsidiary”** shall be construed accordingly

The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act. The term **“treasury share”** shall have the meaning ascribed to it in Section 4 of the Companies Act.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Manual or any modification thereof and used in this Appendix shall, where applicable, have the same meaning assigned to it under the Companies Act or the Listing Manual or any modification thereof, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

Any reference to a time of a day and date in this Appendix is a reference to Singapore time and date unless otherwise stated.

BEST WORLD INTERNATIONAL LIMITED
(Incorporated in the Republic of Singapore on 11 December 1990)
(Company Registration No. 199006030Z)

LETTER TO SHAREHOLDERS

Directors:

Dr. Dora Hoan Beng Mui (Co-Chairman, Group CEO/ Managing Director)
Dr. Doreen Tan Nee Moi (Co-Chairman, President)
Mr. Huang Ban Chin (Chief Operating Officer and Executive Director)
Mr. Lee Sen Choon (Lead Independent Director)
Mr. Ravindran s/o Ramasamy (Independent Director)
Mr. Chan Soo Sen (Independent Director)

Registered Office:

26 Tai Seng Street
#05-01 Singapore 534057

11 April 2017

To: The Shareholders of Best World International Limited

THE PROPOSED CHANGE OF AUDITORS

Dear Shareholder,

1. INTRODUCTION

- 1.1 The Company's existing auditors, RSM Chio Lim, were re-appointed as the auditors of the Company at the last AGM of the Company held on 22 April 2016, to hold office until the conclusion of the forthcoming 2017 AGM. RSM Chio Lim has served as auditors of the Company since the financial year ended 31 December 2003.
- 1.2 The Company proposes to seek Shareholders' approval at the 2017 AGM for Ernst & Young to be appointed as the auditors of the Company, in place of RSM Chio Lim.
- 1.3 The purpose of this Appendix is to provide Shareholders with information pertaining to, and explain the rationale for, the Proposed Change of Auditors.
- 1.4 The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.

2. RATIONALE FOR THE PROPOSED CHANGE OF AUDITORS

- 2.1 The Audit Committee of the Company (the "**Audit Committee**") reviews the independence and objectivity of the auditors of the Company annually. As a matter of good corporate governance, the Audit Committee is of the view that it would be appropriate to periodically rotate auditors to enable the Company to benefit from fresh perspectives and views of another professional accounting firm, thereby enhancing the value of the audit. The Board concurs with this view and believes that it is timely to consider a change of auditors of the Company for the financial year ending 31 December 2017.

- 2.2 Following the evaluation of the proposals from large established accounting firms and after due deliberation, the Board, at the recommendation of the Audit Committee, proposes that Ernst & Young be appointed as the auditors of the Company for the financial year ending 31 December 2017, in place of RSM Chio Lim.
- 2.3 In reviewing the suitability of Ernst & Young, the Audit Committee and the Board took into consideration various factors, such as that Ernst & Young has adequate resources and experience to handle the audit, the audit engagement partner assigned to the audit has the appropriate level of experience and there will be an adequate number of suitably experienced supervisory and professional staff assigned to the audit, having due regard to the size, businesses and complexity of the Group. Following the review, the Audit Committee and the Board are of the opinion that Ernst & Young will be able to meet the audit requirements of the Company, and Rules 712 and 715 of the Listing Manual will be complied with.
- 2.4 The scope of audit services to be provided by Ernst & Young will be comparable to the services currently provided by RSM Chio Lim.
- 2.5 The appointment of Ernst & Young would be effective upon obtaining the approval of Shareholders at the 2017 AGM for the Proposed Change of Auditors. If approved, Ernst & Young will hold office until the conclusion of the next annual general meeting of the Company.
- 2.6 In view of the above, RSM Chio Lim will retire and not seek re-appointment as auditors of the Company at the 2017 AGM, being the end of their current term. The Directors wish to express their appreciation for the past services rendered by RSM Chio Lim.

3. INFORMATION ON ERNST & YOUNG

- 3.1 Ernst & Young, registered with the Accounting and Corporate Regulatory Authority, is one of the largest professional service firms in Singapore, and is among the Big Four accounting firms in Singapore.
- 3.2 Ernst & Young has more than 128 years of experience providing audit, tax and professional services to the Singapore and global markets and employs more than 230,000 people globally. Ernst & Young has relevant industry experience with audit clients in the consumer products and retail industry which the Company is in.
- 3.3 More information about Ernst & Young, its values and its services can be found on Ernst & Young's website at <http://www.ey.com>.
- 3.4 Ang Chuen Beng, a partner with EY, will be assigned to the audit of the Company as the lead engagement partner. Chuen Beng is a Chartered Accountant with the Chartered Association of Certified Accountants, Fellow of the Chartered Association of Certified Accountants (UK), Fellow Member of the Institute of Singapore Chartered Accountants (ISCA) and Fellow member of the Institute of Certified Public Accountants in Australia. Chuen Beng has more than 19 years of experience in providing audit and assurance services to a variety of clients, including public companies listed on the SGX-ST. He also has relevant experience in the consumer products and retail industry.

4. CONFIRMATIONS

4.1 In accordance with the requirements of Rule 1203(5) of the Listing Manual:

- (a) the outgoing auditors of the Company, RSM Chio Lim, have confirmed that they are not aware of any professional reasons why the new auditors, Ernst & Young, should not accept appointment as auditors of the Company;
- (b) the Company confirms that there were no disagreements with the outgoing auditors of the Company, RSM Chio Lim, on accounting treatments within the last 12 months;
- (c) the Company confirms that, save as disclosed in this Appendix, it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders;
- (d) the specific reasons for the Proposed Change of Auditors are set out in Section 2 above; and
- (e) the Company confirms that it complies with Rules 712 and 715 of the Listing Manual in relation to the proposed appointment of Ernst & Young. The Company will be engaging Ernst & Young as the auditors for its significant foreign incorporated subsidiaries. The Company does not have associated companies.

5. CONSENTS

Each of RSM Chio Lim and Ernst & Young has given and has not withdrawn its consent to the issue of this Appendix with the inclusion of its name and all references thereto, in the form and context in which they appear in this Appendix.

6. AUDIT COMMITTEE'S STATEMENT

The Audit Committee has reviewed the Proposed Change of Auditors, and after taking into account the suitability of Ernst & Young, the Group's audit requirements and the requirements of the Listing Manual, recommends the proposed appointment of Ernst & Young as auditors of the Company in place of the outgoing auditors of the Company, RSM Chio Lim.

7. DIRECTORS' RECOMMENDATIONS

The Directors, having taken into account the Audit Committee's recommendations, are satisfied that Ernst & Young will be able to meet the audit requirements of the Group and are of the opinion that the proposed appointment of Ernst & Young as auditors of the Company in place of the retiring auditors, RSM Chio Lim, is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Change of Auditors to be proposed at the forthcoming 2017 AGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

- 8.1 Shareholders who are unable to attend the 2017 AGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of the 2017 AGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of Company at 26 Tai Seng Street #05-01 Singapore, Singapore 534057, not later than 48 hours before the time fixed for the 2017 AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the 2017 AGM if he so wishes in place of the proxy if he finds that he is able to do so.
- 8.2 A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP pursuant to Part IIIA of the Securities and Futures Act at least 72 hours before the 2017 AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Change of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix 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 the Appendix in its proper form and context.

10. DOCUMENTS FOR INSPECTION

- 10.1 A copy of the following documents may be inspected at the registered office of the Company at 26 Tai Seng Street #05-01, Singapore 534057, during normal business hours from the date of this Appendix up to and including the date of the 2017 AGM:
- (a) the Annual Report 2016;
 - (b) the Constitution of the Company;
 - (c) the professional clearance letter issued by RSM Chio Lim to Ernst & Young; and
 - (d) the letter of consent to act as auditors of the Company from Ernst & Young.

Yours faithfully
For and on behalf of the Board of Directors of
Best World International Limited

Huang Ban Chin
Chief Operating Officer and Executive Director