

**BEST WORLD INTERNATIONAL LIMITED**

Company Registration No. 199006030Z

**RESPONSES TO SGX QUERIES IN RELATION TO RESULTS ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

The Board of Directors (the “**Board**”) of Best World International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the unaudited Condensed Interim Financial Statement for the 9 months ended 30 September 2023 (the “3Q2023 Results Announcement”) released on SGXNet on 13 November 2023 and the queries from the Singapore Exchange Securities Trading Limited (“SGX-ST”) received on 24 November 2023 (the “Queries”) and wishes to provide further information to shareholders in relation to the 3Q2023 Results Announcement.

**Query:**

1) In relation to the current other assets amounting to \$22,803,000 as at 30 September 2023, please disclose:

(i) the nature and breakdown of the Group’s other assets; and (ii) the underlying transactions and the terms of the transactions (including the contract sum) and payment terms of the underlying contracts.

**Response:**

	<b>As at 30 September 2023</b>	<b>Nature</b>	<b>Payment Terms</b>
	\$'000		
Advances to suppliers	14,037	Deposits paid to trade suppliers for purchase of goods; security deposit to payment gateway service provider and upfront deposits paid to vendors for convention or events	Downpayments upon issue of purchase orders for trading of goods. Other services are paid upon contracts signed
Prepayment	8,766	Prepayments for convention related expenses, IT services, insurance, etc.	Fees generally paid on annual basis at the commencement date of the contract term
<b>Total Other Assets</b>	<b>22,803</b>		

**Query:**

2) Please provide the reason(s) for the significant other financial liabilities of \$ 27,325,000 by the Group when the Group recorded a cash and cash equivalent of \$ 488,855,000 as at financial period 30 September 2023. Please disclose:

- (i) details of the other financial liabilities, including the terms, interest and maturity dates;
- (ii) a breakdown of the lenders and their identities (and its ultimate beneficial shareholders and directors if this is not a bank);
- (iii) when were the loans/ other financial liabilities obtained approved by the Board including the Audit Committee; and
- (iv) the use of proceeds from the loan.

**Response:**

(i) Other financial liabilities of \$27,325,000 consist of: -

- (a) \$15 million loan drawdown from HQ (for detailed terms please refer to table in (ii) below); and
- (b) put options amounting to \$12.3 million relating to the Group's UK joint venture company, Pedal Pulses Limited. On 3 April 2020, the Group through its wholly owned subsidiary corporation, MDUK Investments Pte. Ltd ("MDUK"), entered into a sales and purchase agreement, to acquire 49.9% equity interest in Pedal Pulses Ltd. As part of the acquisition, MDUK also entered into a put and call option with the owners of the Pedal Pulses Ltd. For detailed terms of the put and call options, please refer to the announcement titled "[Proposed Acquisition of Shares in Pedal Pulses Limited](#)" dated 3 April 2020.

(ii) Details of the loan in (a) above is as follows:

Identities of lenders	As at 30 September 2023 (\$'000)	Interest rate (p.a)	Maturity dates	Key Terms	Use of proceeds
Taipei Fubon Bank – Singapore Branch	10,000	5.4584%	4 October 2023	- Revolving - Interest payable each month - Repayment at maturity	Working Capital
	5,000	5.5254%	27 October 2023	- Secured by corporate guarantee from Best World Taiwan Holdings Pte. Ltd., Taiwan Branch - Cash deposit to be maintained and pledged with Taipei Fubon Bank, Taiwan from our Taiwan Branch	

(iii) The above loan facilities were approved by the Board including the Audit Committee in November 2022.

(iv) Refer to above table in (ii).

**Query:**

3) Please provide the reason(s) for the significant trade payables of \$98,289,000 when the Group recorded a cash and cash equivalent of \$ 488,855,000 as at 30 September 2023.

**Response:**

Breakdown of trade and other payables: -

	<b>As at 30 September 2023</b>	<b>As at 31 December 2022</b>	<b>As at 30 September 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade payables	9,132	6,608	3,359
Other payables	56,369	94,400	78,796
Accrued operating expense	32,788	50,382	33,319
<b>Total</b>	<b>98,289</b>	<b>151,390</b>	<b>115,474</b>

The reasons for significant trade and other payables and accrued operating expenses of \$98,289,000 as at 30 September 2023 include mainly: -

- (i) accruals for management and staff incentives which will be paid largely only in the following year,
- (ii) other payables owing to non-trade parties relating to convention and marketing events, and
- (iii) monthly commissions for the direct selling segment and monthly service fees to third party promotional companies for our franchise segment which are both recurring in nature and will be settled in the subsequent month.

BY ORDER OF THE BOARD

Huang Ban Chin  
Director and Chief Operating Officer  
29 November 2023