

# BEST WORLD INTERNATIONAL LIMITED

Company Registration No. 199006030Z  
(Incorporated in the Republic of Singapore)

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## PROPOSED SUBSCRIPTION OF SHARES IN CELLIGENICS PTE. LTD.

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### 1. INTRODUCTION

The board of directors ("**Board**") of Best World International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 11 January 2019 entered into a share subscription agreement ("**SSA**") with Celligenics Pte. Ltd. ("**Celligenics**") in relation to a proposed investment (the "**Investment**") by the Group in Celligenics in two phases, under which the Company or its designated wholly-owned subsidiary will (i) subscribe for new ordinary shares in the capital of Celligenics ("**Shares**") representing 12.5% of the total number of issued Shares on a fully-diluted basis (the "**First Phase Subscription**"), and (ii) have the right (but not the obligation), which is exercisable during the Relevant Period (as defined below), to subscribe for new Shares such that the Group will hold up to 15.0% of the Shares as at the date such right is exercised, on a fully-diluted basis (the "**Second Phase Investment**").

### 2. INFORMATION ON CELLIGENICS

- 2.1 Celligenics is a biomedical A\*STAR spin-off start-up company incorporated on 29 August 2016 and headquartered in Singapore, which is currently in the early stages of research and development in the area of stem cells and has research and development collaborations with a scientific institution and institute of higher learning in Singapore (the "**Business**").
- 2.2 As at the date of this announcement, the issued and paid-up share capital of Celligenics is S\$805,000 comprising 805,000 Shares. Based on Celligenics' latest audited accounts for the financial year ended 31 December 2017, the net liabilities of Celligenics as at 31 December 2017 is approximately S\$349,000.

### 3. DETAILS OF THE INVESTMENT

- 3.1 Under the First Phase Subscription, the Company, or its designated wholly-owned subsidiary, will subscribe for 115,165 Shares (the "**Subscription Shares**"), representing approximately 12.5% of the enlarged total number of Shares of Celligenics immediately following the issuance of the Subscription Shares, for an aggregate consideration of S\$5,625,000 ("**First Phase Consideration**"), which was determined between the parties after arm's length negotiations on a willing buyer willing seller basis, on the terms and subject to the conditions set out in the SSA.
- 3.2 The First Phase Consideration shall be wholly satisfied in cash on the date of completion of the First Phase Subscription ("**First Completion Date**") and will be funded by the Group's internal resources.
- 3.3 The completion of the First Phase Subscription is conditional upon, *inter alia*, the fulfilment of the following conditions ("**Condition Precedents**"):-
  - (a) satisfactory due diligence by the Group on Celligenics;

- (b) no material adverse changes to Celligenics' financial position or operations;
  - (c) the approval of the board of directors and the shareholders of Celligenics, and the approval of the Board of the Company, having been obtained for the Investment;
  - (d) all approvals for the Investment having been obtained, where required, including any third party consents and from relevant regulatory and governmental bodies, including any anti-trust or competition filings;
  - (e) the Investment not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or other authority of Singapore and any other relevant jurisdictions; and
  - (f) representations and warranties made by Celligenics in the SSA being, and remaining true and accurate and not misleading as at the First Completion Date.
- 3.4 If any of the Conditions Precedent is not fulfilled, or waived by the Company in accordance with the SSA, on or before 28 February 2019 (or such other date as the Company and Celligenics may mutually agree in writing), the SSA shall lapse and cease to have further effect and no party shall have any claim against the other party, save in respect of any antecedent breaches of the SSA.
- 3.5 Under the Second Phase Investment, the Company or its designated wholly-owned subsidiary has the right (but not the obligation), which is exercisable during a period of 14 business days commencing from the date immediately following 18 months from the First Completion Date (the "**Relevant Period**"), to subscribe for such number of new Shares such that the Group's aggregate shareholding in Celligenics represents up to 15.0% of the Shares as at the date such right is exercised, on a fully-diluted basis.
- 3.6 Under the terms of the SSA, save for the First Phase Subscription, there is no firm commitment or agreement on the part of the Group to provide any subsequent funding to Celligenics. If the business of Celligenics scales up in the future, depending on the business needs of Celligenics, the Group may decide to proceed with the Second Phase Investment or provide further funding on terms to be agreed by the Group and in compliance with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Manual**"). Should the Group decide to proceed with the Second Phase Investment or provide further funding, such further announcement(s) will be made when appropriate in compliance with the Listing Manual.

#### **4. RATIONALE FOR THE INVESTMENT**

The Company believes that the Investment would bring about the following benefits to the Company and Celligenics:

- (a) the Business is synergistic with the Company's current business in the health and wellness industry;
- (b) the Company and Celligenics intend to collaborate to develop the next generation of cutting edge stem cell-based products focused on the healthcare and wellness industry categories; and

- (c) Celligenics can leverage on the Company's regional markets and sales network as well as management resources to achieve greater operational efficiency and gain immediate market access.

## 5. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006

- 5.1 The relative figures computed on the basis of Rule 1006 of the Listing Manual in respect of the First Phase Subscription are as follows:

Rule	Bases of computation	Size of relative figure
1006(a)	Net asset value of assets being disposed of, compared with the Group's net asset value	Not applicable as this is not a disposal.
1006(b)	Net profits(loss) attributable to the assets acquired, compared with the Group's net profits	(0.1)% <sup>(1)</sup>
1006(c)	Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	0.4% <sup>(2)</sup>
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 no equity securities are issued by the Company as consideration.

### Notes:

- (1) Net profits is defined as profit before income tax, minority interests and extraordinary items. Based on Celligenics' unaudited net loss for the nine months ended 30 September 2018 of S\$609,706 and the Company's unaudited consolidated net profits of approximately S\$53.7 million for the nine months ended 30 September 2018, and computed on the basis that the Group will have a 12.5% shareholding interest in Celligenics upon the completion of the First Phase Subscription.
- (2) Based on the First Phase Consideration of S\$5.625 million and the market capitalisation of the Company of S\$1.46 billion (determined by multiplying the 549,395,114 existing issued shares (excluding treasury shares) by S\$2.6508, being the weighted average price of the Company's shares transacted on 11 January 2019).

- 5.2 As set out above, the relative figure computed on the basis set out in Rule 1006(b) is in the negative. Rule 1007 of the Listing Manual states that if any of the relative figures computed pursuant to Rule 1006 is a negative figure, Chapter 10 of the Listing Manual may still be applicable to the transaction at the discretion of the SGX-ST and the issuer should consult the SGX-ST. Pursuant to the Company's consultations with the SGX-ST, the SGX-ST has confirmed that the approval of the Company's shareholders is not required for the Investment.

## 6. FINANCIAL EFFECTS OF THE INVESTMENT

The Investment is not expected to have any material impact on the Group's net tangible assets per share and earnings per share for the current financial year ending 31 December 2019.

## 7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, Mr. Huang Ban Chin, an Executive Director and the Chief Operating Officer of the Company, holds a 17.0% equity interest in Celligenics.

Save as disclosed herein, none of the directors or controlling shareholders of the Company have any direct or indirect interest in the Investment apart from their respective shareholdings in the Company.

**8. INSPECTION OF DOCUMENTS**

A copy of the SSA will be made available for inspection during normal business hours at the Company's registered office at 26 Tai Seng Street, #05-01, Singapore 534057 for a period of three (3) months from the date of this announcement.

On Behalf of the Board

Huang Ban Chin  
Executive Director and Chief Operating Officer  
13 January 2019