



# **BEST WORLD INTERNATIONAL LTD**

(Company Registration: 199006030Z)

Incorporated in the Republic of Singapore

## **Extraordinary General Meeting Questions & Answers**

### **Appendix 1**

No.	Questions from Shareholder	Replies
1	<p>Did the Company request for trading halt from the Stock Exchange today?</p> <p>What is the baseline for not requesting for a trading halt because any shareholder can trade on the Company's shares after the outcome of this meeting.</p>	<p><b>Chairman.</b> We did not request for a trading halt today because even if all the Resolutions put forth at today's EGM are voted upon and carried, the Selective Capital Reduction ("<b>SCR</b>") is still subject to the confirmation and approval of the Singapore Court and therefore this SCR is not a done deal even if all the Resolutions are passed at this EGM.</p>
2	<p>There were some questions previously on the Offer Price, the Independent Financial Adviser ("IFA") opinion and why they took a discount based on the comparable companies listed on the SGX-ST and performing the computation taking EV/EBITDA of 3.04 times as shown on Page A-50 of the Circular.</p> <p>I am looking at the absolute value of 3.04 times for this SCR price. When IFA compute the fair value range, the discount was taken when performing the comparison based on Stock Market multiples on different Stock Exchanges. Rather than using Stock Exchange valuation to do a discount, you should use a fair discount regardless of whether the company is trading on Stock Exchange A or B because they are in unsimilar businesses, and they can choose to list anywhere. This is the first time I come across IFA use this methodology of discounting based on Stock Exchange trading multiples and my questions are: -</p> <p>(a) In the opinion of the IFA and the independent directors ("IDs") recommending this SCR, whether the EV/EBITDA of 3.04 times be considered low generally in a takeover situation?</p> <p>(b) The IFA has also stated the reasons why the discount was applied, and I would like to understand why you are using this methodology? Why deviate from the method used by the previous IFA and by using comparable listed companies, state that it is below the mean and median and thereby not very fair.</p>	<p><b>Chairman.</b> The questions that you have posed are largely similar to the questions that were previously asked and answered in our announcement of 12 July 2024, (particularly the question on IDs' recommendation).</p> <p>I shall call upon the representatives from the IFA who are also present here today to address your question.</p> <p><b>IFA from Evolve Capital Advisory Private Limited.</b> We would not be able to comment on what other IFAs had done for their previous analysis, as different houses have their own best practices.</p> <p>As part of our global analysis for valuation opinion for the Board, we consider comparable companies from exchanges in various markets. While not all trading companies are similar, one of our methodologies is to look for potentially similar companies to Best World by comparing with trading companies in various jurisdictions. We typically would look at comparable companies in Singapore. However, in Best World's case, the comparable we observed are listed on exchanges in different markets. As a result, we need to further highlight the liquidity and debt differences between these different market exchanges. As to why certain company chooses a particular stock exchange to list on, we are unable to comment. When determining what is the discount or fair discount, we generally do not look at the sector information. Instead, we look at what has been the overall trading levels of the STI, S&amp;P and various indices, take the average and then highlighting the differences.</p> <p>To-date we stand by our analysis and similar responses have been provided to SIAS and shareholders previously in the Company's announcement dated 12 July 2024.</p> <p><b>Chairman.</b> The IFA report has gone through many rounds of queries in their submission made to the SGX-ST. All these have been carefully scrutinised by the regulators as well as the professionals involved in this exercise. The Board had taken on the IFA's recommendation based on what is generally accepted for the valuation.</p>