

BEST WORLD INTERNATIONAL LIMITED

Company Registration No. 199006030Z

RESPONSE TO QUERIES REGARDING TRADING ACTIVITY

The Board of Directors (the “Board”) of Best World International Limited (the “Company”) refers to the queries from the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 15 August 2017 regarding the unusual volume movements in the Company’s shares and wishes to respond to the queries as follows:

Question 1: Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples.

- If yes, the information shall be announced immediately.

Company’s Response

The Company is not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which might explain the recent unusual trading activity.

Question 2: Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Company’s Response

The Company refers to the news article published by Bloomberg on 15 August 2017, “Herbalife, Nu Skin Shares Plunge Over Fears of Chinese Crackdown” and wishes to state the following:

The abovementioned article reported on market concerns of a crackdown by regulators on the market practices of certain direct selling companies due to a statement¹ posted on China’s State Administration for Industry & Commerce (hereinafter “SAIC”) website on 14th August 2017.

The statement by SAIC is widely anticipated in light of the recent news reports on the drowning of a university student^{2a,2b} who allegedly fell victim to a certain pyramid selling scheme’s advertisement posted on a popular recruitment website. The case is still under investigation.

¹ “工商总局 教育部 公安部 人力资源社会保障部关于开展以“招聘、介绍工作”为名从事传销活动专项整治工作的通知”, SAIC, http://www.saic.gov.cn/zw/wjfb/lhfw/201708/t20170814_268363.html, dated 14 August 2017

^{2a} “Death of university graduate sparks anger at Chinese pyramid scam gangs”, Reuters, <https://www.reuters.com/article/us-china-society-graduate-idUSKBN1AK0AE>, dated 4 August 2017

^{2b} “李文星误入传销溺亡案 5 人被拘 警方透露其被传销经过”, <http://news.jxntv.cn/2017/0807/8638546.shtml>, JXNTV.CN, dated 7 August 2017

In summary, key points of the SAIC statement include, but are not limited to the following:

1. The clear objective to crackdown on pyramid selling schemes disguised as investment opportunities, job offers, job referrals and recruitment activities, especially those targeted at new graduates;
2. Investigate major recruitment websites and establish clearer legal responsibilities of businesses, organizations and individuals that operate such websites;
3. Businesses, organizations and individuals involved in the dissemination of such false information shall be severely dealt with; and
4. Increase the awareness of pyramid selling schemes amongst students.

For the purpose of clarification, hallmarks of a pyramid scheme are as follows:

1. Companies which profit from act of recruitment and not sale of products or services;
2. Low quality products sold at a high price;
3. Products purchased are not for consumption but as a requirement to participate in the scheme;
4. Products are sold without a reasonable product return guarantee; and
5. High startup/entry fee to participate in the scheme.

In response, the Company would like to highlight that although we hold a direct selling licence, we have not converted our business in China to direct selling yet. Presently all DRs' Secret, Avance and Oprimax products are available for purchase by customers through DRs' Secret outlets and workshops. As such, the above SAIC statement has little or no impact to our China business.

The Company also wishes to highlight that all current preparations for conversion to direct selling are in line with the above SAIC statement. All service outlets set up are subject to verification by local authorities beforehand and are not within or near to any school compound. Our membership criteria, upon conversion to direct selling, shall also not accept students, civil servants, police and military personnel etc.

The Company would like to reiterate that it adheres to strong principles of legal business, transparency and corporate governance and is fully compliant with the rules and regulations of business operations under China's laws.

Question 3: Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

Company's Response

The Company confirms that it is in compliance with the listing rules of the SGX-ST and, in particular, Mainboard Rule 703. The Board collectively and individually takes responsibility for the accuracy of the aforesaid replies to the queries raised by the SGX-ST.

BY ORDER OF THE BOARD

Huang Ban Chin
Director and Chief Operating Officer
15 August 2017