

TRADING RESUMPTION PROPOSAL – STATUS UPDATE

The Board of Directors (the “**Board**” or “**Directors**”) of Best World International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to:

- (a) the Company’s announcements dated 23 February 2019, 19 March 2019, 15 July 2019, 12 December 2019 and 14 February 2020 relating to the conduct by PricewaterhouseCoopers Advisory Services Pte. Ltd. (the “**Independent Accountant**”) of an independent review of the Export Model and the Franchise Model adopted by the Group in China (the “**Independent Review**”);
- (b) the Notice of Compliance issued by Singapore Exchange Regulation Pte Ltd (“**SGX RegCo**”) to the Company on 13 May 2019;
- (c) the Company’s announcement dated 22 March 2020 relating to the interim update issued by the Independent Accountant on the Independent Review;
- (d) the Company’s announcement dated 23 July 2020 relating to the final report (the “**Report**”) issued by the Independent Accountant on the Independent Review (the “**Previous Announcement**”);
- (e) SGX RegCo’s Regulatory Announcement dated 23 July 2020 requiring the Company to submit a proposal to resume trading that addresses concerns in relation to the (i) Independent Accountant’s observations and recommendations in the Report; (ii) legality of the Company’s sales and distribution model in China (the “**Business Model**”); and (iii) lack of clarity in the Company’s financial position; and
- (f) the Company’s announcement dated 8 November 2020 relating to the Company’s submission of a resumption proposal to SGX RegCo (the “**Resumption Proposal**”), which sought to address the areas of concern set out above.

Transition to Direct Selling Model

As stated in the Previous Announcement, the Company’s long-term plan is to eventually transition to a direct selling model in China. This will address the potential risks under ChuanXiao and Direct Selling laws in China as observed by the Company’s China legal advisers, Merits and Tree (Beijing) Law Office, in relation to certain features of the Business Model.¹ This transition will involve the expansion of the geographical coverage of the existing direct selling licence obtained by 全美世界（中国）药业有限公司 (Best World (China) Pharmaceutical Co., Ltd.) (the “**Direct Selling Licence**”) and the list of products covered by the Direct Selling Licence.² Generally speaking, expanding the geographical coverage of the Direct Selling License will involve establishing branch offices in every China province that the Group intends to operate in, and setting up service outlets in every district of every city in which the Group’s products are to be sold via direct selling. The Group intends to apply for an expansion of the scope of

¹ Please refer to paragraph 4.2 of the Previous Announcement for further details.

² As disclosed in the Company’s announcement dated 23 February 2019, the Group does not rely on the Direct Selling Licence it received from MOFCOM in June 2016 covering certain health supplement products over a limited geographical space in China, and the Company had previously considered transitioning from the Export Model to a Direct Selling Model in China, but chose instead to adopt the Franchise Model.

the Direct Selling License once the Ministry of Commerce of the People's Republic of China (“**MOFCOM**”) resumes accepting the relevant applications.³

Status of the Resumption Proposal

The Company would like to provide Shareholders with an update on the status of the Resumption Proposal. Since the Resumption Proposal was submitted to SGX RegCo, the Company has addressed several rounds of queries from SGX RegCo, which relate to the areas of concern set out above.

The review of the Resumption Proposal is ongoing. The Company will continue to devote significant resources and work closely with its legal advisers to provide the requisite assurances to SGX RegCo on all relevant matters in connection with the Resumption Proposal, including compliance of the Business Model with the relevant laws and regulations in China. In conjunction with the Company's plans to transition to a direct selling model in China, given that MOFCOM is currently not accepting the applications discussed above, the Company is exploring adjustments to the Business Model to ensure compliance with the ChuanXiao and Direct Selling laws in China.

Further actions

The Board will continue to update Shareholders on the steps taken and to be taken in due course. The Board will continue to take all necessary actions to safeguard the interests of Shareholders and the Group.

Shareholders are reminded that the trading suspension of the Company's shares will continue following this announcement and will only be lifted after the Company has submitted a trading resumption proposal pursuant to Rule 1304 of the Listing Manual and upon fulfilment of the conditions required by SGX RegCo, including the finalisation of the Group's audited financial statements for FY2019, and SGX RegCo indicating that it has no objections to the resumption proposal.⁴ The Board will make further announcement(s) as and when there are any material developments on this matter.

BY ORDER OF THE BOARD

Huang Ban Chin
Director and Chief Operating Officer
10 December 2020

³ MOFCOM has suspended all approvals relating to direct selling licenses, including applications to expand the scope of existing licenses, amid a nationwide crackdown on exaggerated advertisements and harmful products in the health products market.

⁴ Please refer to the announcement made by SGX RegCo on 9 May 2019 in relation to the trading suspension of the Company's shares.