

BEST WORLD INTERNATIONAL LIMITED

Company Registration No. 199006030Z

APPLICATION FOR FURTHER EXTENSION OF TIME TO COMPLY WITH RULE 707(1) OF THE LISTING MANUAL TO HOLD THE ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

- (a) 23 February 2019, 19 March 2019, 15 July 2019, 12 December 2019, 14 February 2020, 22 March 2020 and 23 July 2020 relating to the independent review of the Export Model and the Franchise Model adopted by the Group in China (the “**Independent Review**”) and the final report issued by PricewaterhouseCoopers Advisory Services Pte Ltd (the “**Independent Accountant**”) setting out its findings of the Independent Review (the “**Report**”);
- (b) 14 February 2020, 3 March 2020 and 14 September 2020 relating to the Company’s application to SGX RegCo for an extension of time to hold its annual general meeting (“**AGM**”) in respect of the financial year ended 31 December 2019 (“**FY2019**”) by 31 December 2020;
- (c) SGX RegCo’s Regulatory Announcement dated 23 July 2020 (the “**Regulatory Announcement**”) 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; and (iii) lack of clarity in the Company’s financial position; and
- (d) 8 November 2020 and 10 December 2020 relating to the Company’s submission of a resumption proposal (the “**Resumption Proposal**”) to SGX RegCo and the Company’s update on the status of the Resumption Proposal,

(collectively, the “**Previous Announcements**”). Unless otherwise defined, all capitalised terms used herein shall bear the meanings ascribed to them in the Previous Announcements.

Further Extension

The Company has submitted an application to SGX RegCo for a further extension of two (2) months to convene the FY2019 AGM by 28 February 2021 with regard to compliance with Rule 707(1) of the Listing Manual (the “**Further Extension**”).

Reasons for the Further Extension

The Report recommended that the Company’s auditors, Ernst & Young LLP (“**EY**”) consider the implications of certain matters, including whether any reclassification or adjustments are necessary to the financial statements for FY2019 to ensure that the Company’s records represent a complete and accurate view of its financial affairs.

Since the Report was issued, the Company has worked closely with EY and its legal advisors to address the matters raised in the Report, as well as the areas of concern identified in the Regulatory Announcement. The need for EY to validate the Independent Accountant’s findings in the Report with respect to FY2018 and prior years and to design and perform additional procedures for the FY2019 audit have led to the delay in completion of the FY2019 audit. As at the date of this announcement, certain audit procedures in relation to the Group’s

China operations remain outstanding and EY anticipates that all audit procedures will be completed around early February 2021. Factoring in discussions with the Audit Committee of the Company and management to complete the FY2019 audit, it is expected that the audited financial statements will only be finalised and the FY2019 AGM documents will be issued to Shareholders around mid-February 2021. Accordingly, the earliest date that the Company will be able to convene the FY2019 AGM is at the end of February 2021.

The Company will continue to devote the full extent of its resources to assist EY to assess the accounting matters in the Report and complete the FY2019 audit as soon as possible.

Further Announcements

Shareholders should note that as at the date of this announcement, there is no certainty or assurance that the Further Extension will be granted by SGX RegCo. The Company will make further announcements to update Shareholders as and when there are material developments in relation to the Further Extension.

BY ORDER OF THE BOARD

Huang Ban Chin
Director and Chief Operating Officer
17 December 2020