

BEST WORLD INTERNATIONAL LIMITED

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

PROPOSED CHANGE OF AUDITOR FROM ERNST & YOUNG LLP TO NEXIA TS PUBLIC ACCOUNTING CORPORATION

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**" or the "**Directors**") of Best World International Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce the Company's intention to undertake a change of auditor of the Company (the "**Auditor**") from Ernst & Young LLP ("**EY**") to Nexia TS Public Accounting Corporation ("**Nexia**") for the current financial year ending 31 December 2021 (the "**Proposed Change of Auditor**").
- 1.2 The Company will be seeking specific approval of the shareholders of the Company ("**Shareholders**") for the Proposed Change of Auditor at an extraordinary general meeting to be convened (the "**EGM**").

2. THE PROPOSED CHANGE OF AUDITOR

- 2.1 EY has served as Auditor of the Company since 26 April 2017 and was re-appointed Auditor of the Company at the last annual general meeting of the Company ("**AGM**") held on 30 September 2021, to hold office until the conclusion of the next AGM.
- 2.2 As part of good corporate governance initiatives and the Group's ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Board is of the view that it would be appropriate and timely to effect a change of Auditor of the Company, subject to the approval of the Shareholders for the Proposed Change of Auditor at the EGM. A change of Auditor would also enable the Company to benefit from fresh perspectives and views of another professional audit firm, thus enhancing the value of the audit of the Group.
- 2.3 The Audit Committee of the Company (the "**Audit Committee**") had taken into consideration the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"), and various factors such as the adequacy of resources and experience of the audit firm to be selected and the audit engagement partner to be assigned to the audit, the audit firm's other engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff to be assigned to the audit. There will be no change in the scope of audit services with the Proposed Change of Auditor. After evaluation, the Audit Committee recommended the appointment of Nexia as Auditor of the Company in place of EY to the Board.
- 2.4 The Board has taken into account the Audit Committee's recommendation, including the factors considered in their evaluation, and are satisfied that Nexia will be able to meet the audit requirements of the Group. The Board has therefore accepted the Audit Committee's recommendation to appoint Nexia as Auditor of the Company.
- 2.5 In connection with the above:
- (a) the Company had on 19 October 2021 received a letter from EY dated 18 October 2021 providing notice of EY's application to ACRA on 18 October 2021 to seek ACRA's consent to EY's resignation as Auditor of the Company pursuant to Section 205AB of the Companies Act (Cap. 50) of Singapore ("**Companies Act**").

- (b) Nexia had on 20 October 2021 given its written consent to act as Auditor of the Company, subject to the approval from Shareholders at the EGM.
- (c) Pursuant to Section 205AB(5) of the Companies Act, the resignation of EY will take effect upon the later of (a) the day (if any) specified for the purpose in the notice of resignation of EY; (b) the day on which ACRA notifies EY and the Company of its consent to the resignation; or (c) the day (if any) fixed by ACRA. Further, pursuant to Rule 712(3) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) and Section 205AF of the Companies Act, the Proposed Change of Auditor must be specifically approved by Shareholders in a general meeting. Accordingly, the Board is convening an EGM to be held by way of electronic means to seek Shareholders’ approval for the Proposed Change of Auditor as an ordinary resolution. The appointment of Nexia as Auditor of the Company will therefore take effect upon the later of (a) the date of approval of the Proposed Change of Auditor by Shareholders at the EGM, and (b) the date of ACRA’s consent to EY’s resignation, and if so appointed, Nexia will hold office until the conclusion of the next AGM of the Company.

2.6 In accordance with the requirements of Rule 1203(5) of the Listing Manual:

- (a) EY has confirmed by way of a letter dated 20 October 2021 to Nexia, that it is not aware of any professional reasons why Nexia should not accept appointment as Auditor of the Company;
- (b) the Company confirms that there were no disagreements with EY on accounting treatments within the last 12 months up to the date of this announcement;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditor that should be brought to the attention of Shareholders;
- (d) the specific reasons for the Proposed Change of Auditor areas are disclosed in this announcement; and
- (e) the Company confirms that it is or will be in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of Nexia as the Auditor of the Company.

2.7 The Board wishes to express their appreciation for the services rendered by EY in the past.

3. CIRCULAR TO SHAREHOLDERS

3.1 A circular containing, *inter alia*, the notice of the EGM and the details of the Proposed Change of Auditor, will be issued to Shareholders in due course.

BY ORDER OF THE BOARD

Huang Ban Chin
Director and Chief Operating Officer
21 October 2021