

BEST WORLD INTERNATIONAL LIMITED

(Company Registration Number: 199006030Z)
(Incorporated in the Republic of Singapore)

UPDATE ON FUTURE PLANS OF THE COMPANY – APPROVAL OF THE RESUMPTION OF TRADING PROPOSAL

1. **INTRODUCTION**

- 1.1 Further to the announcement titled “*Update on Future Plans of the Company – Approval of the Resumption of Trading Proposal*” dated 5 October 2022 (“**5 October 2022 Update**”), the Board of Directors (the “**Directors**” or the “**Board**”) of Best World International Limited (the “**Company**”) wishes to provide the following update:

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the 5 October 2022 Update Announcement.

2. **COMPLIANCE WITH THE CONDITIONS IN THE NO-OBJECTION NOTIFICATION LETTER FROM SGX REGCO ON THE RESUMPTION OF TRADING PROPOSAL**

- 2.1 Following from the 5 October 2022 Update, the Company wishes to announce that it has complied with conditions 2(b) and 2(d) of SGX RegCo’s no-objection letter dated 5 October 2022.

- 2.2 **Condition 2(b) - The Company announcing the Audit Committee’s assessment of whether it is satisfied that the concerns raised on legality of the Company’s sales and distribution business model in China have been addressed and the bases for such an assessment.**

The Audit Committee’s (“**AC**”) assessment is that the AC is satisfied that the concerns raised on the legality of the Company’s sales and distribution business model in China have been addressed and the bases for such assessment are as follows:

- a. The Company had obtained the advice of independent and suitably qualified Chinese law experts to comment on the legality of the structure of the Company’s sales and distribution business under local China regulations. The Company has procured the legal opinions addressing the concerns as set out under the (i) 2020 Merits & Tree (“**M&T**”) Legal Opinion, (ii) 2021 M&T Legal Opinion, and (iii) Dentons Legal Opinion. With reference to the legal opinions, the AC has assessed that the Company’s non-compliance risk of the Group’s business model in China with regard to the direct selling and ChuanXiao laws continues to be remote and that possibilities of the Group being penalized by relevant China authority in relation to the above is remote;
- b. To address the concerns highlighted in the 2020 M&T Legal Opinion, the Board of Directors acknowledged that, as highlighted on page 115 of our FY2021 Annual Report, BWL China has engaged SDIC Human Resources Co., Ltd. (“**SDIC**”) on 29 January 2021, of which under the Service Agreement, SDIC is responsible for the recruitment, training and management of the sales representatives of the franchisees, which include and is not limited to, making commission payments to, and the payment of income taxes of the franchisees’ sales representatives. As a state-owned company, SDIC is cautious in choosing its clients and has stipulated under its Service Agreement, that it will supervise BWL China’s transactions and will report to the authorities if any of the transactions are deemed suspicious, irregular, illegal, or high-risk. Hence, the engagement of SDIC will also serve as an assurance that BWL China does not provide services, assistance or convenience for irregular transactions by other parties; and

- c. The Board of Directors, with the concurrence of the AC, have assessed the above to be adequate and are satisfied that these have addressed the concerns raised in the 2020 M&T Legal Opinion.

2.3 **Condition 2(d) - The Company announcing the Board of Directors' confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to resume in a fair and orderly manner.**

The Board of Directors confirm that sufficient information has been disclosed to enable trading of the Company's shares to resume in a fair and orderly manner.

2.4 **Condition 2(a) - The Company to obtain an updated independent legal opinion on the legality of the Company's sales and distribution business model in China within 4 months after its financial year-end on an annual basis and announcing the same on SGXNet. In the event the Audit Committee is of the assessment that such legal opinion is no longer required, the Audit Committee is to consult SGX RegCo; and**

Condition 2(c) - Any changes in the Board of Directors appointment to be subject to SGX RegCo's prior approval for the next 3 years.

The Company wishes to inform Shareholders that it will comply with conditions 2(a) and 2(c), albeit being future actions for the Company.

3. **REQUEST FOR RESUMPTION OF TRADING**

To ensure that shareholders are updated with the Company's latest financial results, which is expected to be released on 11 November 2022, prior to the resumption of trading of the ordinary shares of the Company on the SGX-ST, the Company will request for the lifting of suspension, subject to relevant approvals, on 14 November 2022 at 9.00am.

4. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors (including those who have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

5. **CAUTIONARY STATEMENT**

5.1 **Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bankers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

5.2 **Shareholders are further advised that this announcement serves as only an update to shareholders.**

By Order of the Board

Huang Ban Chin
Chief Operating Officer and Executive Director
1 November 2022