

## BEST WORLD INTERNATIONAL LIMITED

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

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### UPDATE ON COMPLIANCE WITH CONDITION 2(a) IN THE NO-OBJECTION NOTIFICATION LETTER

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#### 1. INTRODUCTION

- 1.1 Further to the announcement titled “*Update on Future Plans of the Company – Approval of the Resumption of Trading Proposal*” dated 1 November 2022 (“**1 November 2022 Update**”), the Board of Directors (the “**Directors**” or the “**Board**”) of Best World International Limited (the “**Company**” or “**BWI**”) wishes to provide the following update.

*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the 1 November 2022 Update Announcement.*

#### 2. COMPLIANCE WITH CONDITION 2(a) IN THE NO-OBJECTION NOTIFICATION LETTER FROM SGX REGCO ON THE RESUMPTION OF TRADING PROPOSAL

- 2.1 Following from the 1 November 2022 Update, the Company wishes to announce that it has complied with condition 2(a) of SGX RegCo’s no-objection letter dated 5 October 2022.

- 2.2 **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.**

- 2.2.1 The Company had obtained from Merits & Tree (“**M&T**”) an updated independent legal opinion on the legality of the Company’s sales and distribution business model in China dated 29 March 2023 (hereinafter referred to as “**M&T Update**”) for the period from 1 January 2022 to 29 March 2023 (hereinafter referred to as “**Period**”) as an update to the (i) 2020 M&T Legal Opinion and (ii) 2021 M&T Supplementary Legal Opinion.

- 2.2.2 A summary of the M&T Update is set out as follows:

- i. The Service Agreement entered into between SDIC Human Resource Service Co., Ltd. (“**SDIC**”) and BWI dated 29 January 2021 had been automatically renewed, and was valid from January 1, 2022 to December 31, 2022, and was subsequently renewed since 1 January 2023 to 31 December 2023 and subsisting as of March 29, 2023. Therefore, M&T maintained its 2021 M&T Supplementary Legal Opinion that the arrangement under the Service Agreement could reduce the legal risks to BWC and BWI;
- ii. the laws and regulations related to ChuanXiao and direct selling in China have not changed since January 1, 2022; and
- iii. BWC and BWL have not been administratively punished by any Chinese authorities for engaging in ChuanXiao or direct selling activities within the Period.

2.2.3 The Company also obtained from Dentons Beijing Office (“Dentons”) an updated independent legal opinion on the legality of the Company’s Sales Operation Mode in China dated 14 April 2023 (hereinafter referred to as “**Dentons Update**”) for the period from 01 January 2022 to 14 April 2023 as an update to the Legal Opinion issued by Dentons on 19 May 2021.

2.2.4 Dentons Update is of the view that it is of low risk that the business modes of the three companies in China are deemed to violate the Regulations on Direct Selling Administration and Regulations on the Prohibition of Pyramid Selling and they have not been punished by the Supervision Department for five years; therefore, the risk of the above three companies being administratively punished by the government regulatory authorities for alleged ChuanXiao is low.

2.2.5 Based on the M&T Update and Dentons Update, the Board is of the view that the risk of the Group’s business model in China being held to be in non-compliance with the direct selling and ChuanXiao laws in China continues to be remote and that the possibility of the Group being penalized by the relevant Chinese regulatory authority in relation to the above remains low.

### **3. 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.

### **4. CAUTIONARY STATEMENT**

**4.1 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.**

**4.2 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  
22 April 2023