

BEST WORLD INTERNATIONAL LIMITED

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

EXIT OFFER BY THE COMPANY BY WAY OF A PROPOSED SELECTIVE CAPITAL REDUCTION AND PROPOSED DELISTING OF THE COMPANY

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the announcement made by Best World International Limited (“Company”) on 22 March 2024 (“Delisting Update Announcement Date”) titled “Update on Options for Delisting Exercise” (“Delisting Update Announcement”).

1. INTRODUCTION

Further to the Delisting Update Announcement, the Board of the Company wishes to provide an update on the Company’s plan in relation to the Exit Offer (as defined below) by way of a Selective Capital Reduction (as defined below).

2. BACKGROUND

- 2.1 The Company was incorporated in the Republic of Singapore on 11 December 1990. The Company was listed on the SGX-ST Stock Exchange of Singapore Dealing and Automated Quotation System (SESDAQ) on 8 July 2004 and was transferred to the Mainboard of the SGX-ST on 18 September 2006. The Company is an investment holding company and is engaged in the business of the distribution of nutritional supplement products, personal care products and healthcare equipment.
- 2.2 As at the date of this announcement (“**Announcement Date**”), the Company has an issued and fully paid-up share capital of S\$2,343,402 comprising 430,445,393 Shares. The Company holds 20,567,600 treasury shares and there are no instruments convertible into Shares, or any options, rights or warrants for the issuance of any new Shares, outstanding.
- 2.3 As stated in the Delisting Update Announcement, the Non-Participating Shareholders are:
- 2.3.1 D2 Investment Pte. Ltd., the legal owner of 192,787,500 Shares representing 44.79% of the issued and paid-up share capital of the Company which are held for the benefit of Dora Hoan Beng Mui and Doreen Tan Nee Moi;
- 2.3.2 Dora Hoan Beng Mui, the legal and beneficial owner of 32,330,000 Shares representing 7.51% of the issued and paid-up share capital of the Company. She is the legal and beneficial owner of 50.00% of the shares in D2 Investment Pte. Ltd.;
- 2.3.3 Doreen Tan Nee Moi, the legal and beneficial owner of 31,380,000 Shares representing 7.29% of the issued and paid-up share capital of the Company. She is the legal and beneficial owner of 50.00% of the shares in D2 Investment Pte. Ltd.;
- 2.3.4 Huang Ban Chin, the legal and beneficial owner of 23,300,000 Shares representing 5.41% of the issued and paid-up share capital of the Company;
- 2.3.5 Li Lihui, the legal and beneficial owner of 250,000 Shares representing 0.058% of the issued and paid-up share capital of the Company. Li Lihui is the daughter of Dora Hoan Beng Mui and is presumed to be acting in concert with Dora Hoan Beng Mui; and
- 2.3.6 Pek Jia Rong, the legal and beneficial owner of 250,000 Shares representing 0.058% of the issued and paid-up share capital of the Company. Pek Jia Rong is the daughter of Doreen Tan Nee Moi and is presumed to be acting in concert with Doreen Tan Nee Moi.

- 2.4 The Company is proposing, by way of a selective capital reduction exercise pursuant to Section 78G of the Companies Act, to use its cash to cancel the Shares held by the Eligible Shareholders ("**Selective Capital Reduction**"), thereby giving the Eligible Shareholders a reasonable opportunity to realise the value of their Shares.
- 2.5 The Board intends to increase the issued and paid-up share capital of the Company by capitalising part of its retained earnings to facilitate the Cash Distribution (as defined below) to Eligible Shareholders pursuant to the Selective Capital Reduction, which shall serve as a fair and reasonable exit offer to the shareholders of the Company ("**Shareholders**") for the purpose of delisting under Rules 1307 and 1309 of the listing manual of the Mainboard of the SGX-ST ("**Listing Manual**") (collectively, "**Exit Offer**").

3. PROPOSED CAPITALISATION OF THE COMPANY'S RETAINED EARNINGS

As the Company's issued and paid-up share capital is presently only S\$2,343,402 (excluding treasury shares), there is insufficient share capital to undertake the Selective Capital Reduction and the Company therefore intends to capitalise part of its retained earnings prior to undertaking the Selective Capital Reduction exercise, which is further described in paragraph 4 below. S\$375,369,733 of the Company's retained earnings shall be applied in paying up for the allotment and issuance of new Shares ("**Additional Shares**"). It is intended that such Additional Shares shall be allotted, issued and credited as fully paid-up to the Shareholders on the basis of one Additional Share to one Share held by a Shareholder which will be **immediately cancelled in their entirety without any distribution to the Shareholders** (collectively, "**Capitalisation**"). The sum of S\$375,369,733 created in the issued and paid-up share capital of the Company shall be utilised for distribution to Eligible Shareholders pursuant to the Selective Capital Reduction ("**Cash Distribution**"). It is envisaged that following the Capitalisation, the Company's issued and paid-up share capital, presently at S\$2,343,402, will increase to S\$377,713,135.

4. PROPOSED SELECTIVE CAPITAL REDUCTION

- 4.1 The Company proposes to cancel all of the 150,147,893 Shares held by the Eligible Shareholders in consideration for S\$2.50 in cash per Share by way of the Selective Capital Reduction. Accordingly, an aggregate sum of S\$375,369,733 arising from the Selective Capital Reduction, if effected, will be returned to the Eligible Shareholders in cash, on the basis of S\$2.50 for each Share held by each Eligible Shareholder that is cancelled as a result of the Selective Capital Reduction.
- 4.2 In arriving at the proposed share price of S\$2.50 for each Share, the Company had taken into consideration, among others, the historical trading price of the Shares, the net asset value per Share, and the current market conditions in the industries and markets which the Company and its subsidiaries ("**Group**") operate in. The proposed share price of S\$2.50 for each Share represents:
- 4.2.1 a premium of approximately 42.86% over the last traded price of the Shares on the SGX-ST of S\$1.75 on 21 March 2024, being the last full day of trading of the Shares prior to the Delisting Update Announcement Date ("**Last Undisturbed Trading Day**");
 - 4.2.2 a premium of approximately 43.68%, 42.86%, and 45.35% over the VWAP of the Shares for the 1-month period, 3-month period, and 6-month period, up to and including the Last Undisturbed Trading Day, respectively;
 - 4.2.3 a premium of approximately 82.48% over the net asset value per Share of S\$1.37 as at 31 December 2023; and
 - 4.2.4 a premium of approximately 12.6% over the last traded price of the Shares on the SGX-ST of S\$2.22 on 3 April 2024, being the last full day of trading of the Shares prior to the Announcement Date.

5. CONFIRMATION OF FINANCIAL RESOURCES

- 5.1 The Board has confirmed that sufficient financial resources are available to the Company to fund the aggregate sum of the Cash Distribution which will be returned to the Eligible Shareholders if the Selective Capital Reduction becomes effective.
- 5.2 RHT Capital Pte. Ltd., the financial adviser to the Company in respect of the Selective Capital Reduction (“**Financial Adviser**”), has confirmed that sufficient financial resources are available to the Company to fund the aggregate sum of the Cash Distribution which will be returned to the Eligible Shareholders if the Selective Capital Reduction becomes effective.
- 5.3 The Company has opened an escrow account and a minimum of S\$375,369,733 is in the process of being transferred into the escrow account. The escrow agent shall release the monies for the purposes of the Cash Distribution pursuant to the terms of the escrow agreement.

6. RATIONALE FOR THE EXIT OFFER AND DELISTING

- 6.1 The Company is of the view that it is in the best interests of the Shareholders that the Company pursues the Exit Offer, for the reasons set out below:
- 6.1.1 As stated in the Company’s recent unaudited condensed interim financial statements of the Group for the year ended 31 December 2023, the Company continues to expect growth headwinds for its China market where uncertainties, such as stock market volatility and challenges in the property sector continue to weigh on consumer sentiments and cloud consumers’ outlook, leading to heightened propensity for consumers to save rather than spend. Additionally, economic volatility, global supply chain disruptions, and changing consumer behaviour are also factors that could impact consumer demand, production, and profitability for the Group’s direct selling segment. Barring any unforeseen circumstances, the Company will continue to maintain a cautious outlook for the next 12 months. The Company believes a privatisation of the Company will provide the necessary flexibility to optimise its resources to focus on the longer-term strategies of the business.
- 6.1.2 The Company has no present need for access to the Singapore capital markets and has not carried out any corporate exercise to raise cash funding on the SGX-ST in the past ten years. It is also unlikely that the Company will require access to the Singapore capital markets to finance its operations in the foreseeable future.
- 6.1.3 If the Company is delisted, the Company will be able to dispense with compliance costs and resources associated with maintenance of a listed status and other regulatory requirements and channel such resources towards its business operations.
- 6.1.4 The Exit Offer provides an opportunity for Eligible Shareholders who may find it difficult to exit their investment in the Company at a fair market price due to low trading liquidity. Of the total number of Shares in public hands, the average daily trading volume in the last 1 month, 3 months and 6 months up to and including the Last Undisturbed Trading Day was only 0.31%, 0.22%, and 0.20% respectively.
- 6.1.5 The Exit Offer presents Eligible Shareholders with an opportunity to completely exit their investment in the Shares without incurring brokerage and other trading costs.

7. EFFECTS ON SHARE CAPITAL

- 7.1 It is intended that the Selective Capital Reduction will be effected by cancelling 150,147,893 of the said Shares constituting part of the total issued share capital of the Company that are held by the Eligible Shareholders, reducing the Company’s Shares from 430,445,393 Shares to 280,297,500 Shares, representing a reduction of approximately 34.88%.

- 7.2 In such event, an aggregate sum of S\$375,369,733 arising from the Capitalisation and Selective Capital Reduction will be returned to the Eligible Shareholders in cash, on the basis of S\$2.50 for each Share held by each Eligible Shareholder that is cancelled as a result of the Selective Capital Reduction.
- 7.3 Upon completion of the Selective Capital Reduction, if effected, the Non-Participating Shareholders will remain as Shareholders of the Company and collectively hold the remaining 280,297,500 Shares that are not cancelled, representing the entire equity share capital of the Company.
- 7.4 For illustrative purposes only, the effects of the Capitalisation and Selective Capital Reduction on the share capital of the Company as at the Announcement Date are as follows:

Issued and Paid-Up Capital	Number of Shares	Share Capital (S\$)
As at the Announcement Date	430,445,393	2,343,402
Additional Shares issued pursuant to the Capitalisation of retained earnings (On the basis of 1 Additional Share for 1 Share)	430,445,393	375,369,733
Immediate Cancellation of Additional Shares	(430,445,393)	-
Shares to be cancelled under the Selective Capital Reduction	(150,147,893)	(375,369,733)
Adjusted issued and paid-up capital after the Selective Capital Reduction	280,297,500	2,343,402

8. PROCESS OF THE CAPITALISATION, SELECTIVE CAPITAL REDUCTION, AND DELISTING

- 8.1 The Exit Offer will be subject to various procedures and approvals, including approval by the SGX-ST of the circular to Shareholders for the convening of an EGM in relation to the Exit Offer, Shareholders' approval at the EGM, and the approval of the Selective Capital Reduction by the Court.
- 8.2 The Company intends to seek Shareholders' approvals at an EGM for the following:
- 8.2.1 the proposed Capitalisation by way of an ordinary resolution pursuant to Regulation 141 of the Company's constitution ("**Capitalisation Resolution**");
- 8.2.2 the proposed Selective Capital Reduction by way of a special resolution approved by a majority of at least 75 per cent of all Shares held by the Eligible Shareholders present and voting at the EGM pursuant to Section 78G of the Companies Act ("**SCR Resolution**"); and
- 8.2.3 the proposed delisting by way of a special resolution under Rules 1307 and 1309 of the Listing Manual. Such special resolution requires the approval of a majority of at least 75 per cent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders (excluding the Non-Participating Shareholders and their concert parties) present and voting, on a poll, either in person or by proxy at the EGM to be convened for the Shareholders to vote on this resolution ("**Delisting Resolution**"). The Non-Participating Shareholders and their concert parties must abstain from voting on the resolution.

(collectively, "**Resolutions**").

- 8.3 Shareholders should note that the Company intends for the Resolutions to be inter-conditional upon one another. This means that if any of the Resolutions is not approved, the other Resolutions will not be passed.
- 8.4 Pursuant to Section 78G of the Companies Act, in order for the Selective Capital Reduction to be approved:
- 8.4.1 the SCR Resolution must be passed by Eligible Shareholders approving the Selective Capital Reduction; and
- 8.4.2 the approval and confirmation by the High Court of the Republic of Singapore (“**Court**”) of the Selective Capital Reduction must be obtained.
- 8.5 After obtaining Shareholders’ approvals of the Resolutions, an application will be made to the Court in relation to the Selective Capital Reduction.
- 8.6 Upon an order of the Court being made approving the Selective Capital Reduction (“**Court Order**”), the Selective Capital Reduction will take effect upon the lodgement of a copy of the Court Order, together with the other documents as prescribed under the Companies Act, with the Registrar of Companies of Singapore (“**Registrar**”) within ninety (90) days beginning with the date the Court Order is made, or within such longer period as the Registrar may allow.
- 8.7 For the avoidance of doubt, the Exit Offer is conditional upon Shareholders’ approvals of the Resolutions (with each of the Resolutions being inter-conditional upon one another), and the approval and confirmation of the Selective Capital Reduction by the Court.
- 8.8 Shareholders should note that it is only after obtaining the necessary Shareholders’ and Court’s approvals, will the Company be able to settle the Cash Distribution to the Eligible Shareholders and submit an application to delist to the SGX-ST under Rule 1307 of the Listing Manual.

9. DISCLOSURES OF SHAREHOLDINGS AND DEALINGS

9.1 **Share Capital.** As at the Announcement Date:

9.1.1 the Company has only one class of Shares in issue, being the Shares. There are 430,445,393 Shares in issue and 20,567,600 treasury shares; and

9.1.2 there are no instruments convertible into Shares, or any options, rights or warrants for the issuance of any new Shares, outstanding.

9.2 **Holdings and Dealings.** As at the Announcement Date, the interests in Shares held by the Non-Participating Shareholders are set out below:

	Number of Ordinary Shares				
	Direct Interest	%	Deemed Interest	%	Total Interest (%)
D2 Investment Pte. Ltd.	192,787,500	44.79	-	-	44.79
Dora Hoan Beng Mui	32,330,000	7.51	193,037,500 ⁽¹⁾	44.85	52.36
Doreen Tan Nee Moi	31,380,000	7.29	193,037,500 ⁽²⁾	44.85	52.14
Huang Ban Chin	23,300,000	5.41	-	-	5.41
Li Lihui	250,000	0.058	-	-	0.058
Pek Jia Rong	250,000	0.058	-	-	0.058

Notes:

- (1) Dora Hoan Beng Mui holds approximately 50.00% of the issued and paid-up share capital of D2 Investment Pte. Ltd.. Accordingly, she is deemed to be interested in 192,787,500 Shares representing 44.79% of the issued and paid-up share capital of the Company pursuant to Section 7(4) of the Companies Act. In addition, she is deemed to be interested in the 250,000 Shares held by her daughter, Li Lihui.
- (2) Doreen Tan Nee Moi holds approximately 50.00% of the issued and paid-up share capital of D2 Investment Pte. Ltd.. Accordingly, she is deemed to be interested in 192,787,500 Shares representing 44.79% of the issued and paid-up share capital of the Company pursuant to Section 7(4) of the Companies Act. In addition, she is deemed to be interested in the 250,000 Shares held by her daughter, Pek Jia Rong.

9.3 **Disclosures.** Save as disclosed in paragraph 9.2 above, none of the Non-Participating Shareholders and their concert parties:

- 9.3.1 owns, controls or has agreed to acquire (a) any Shares, (b) any securities which carry voting rights in the Company; or (c) any convertible securities, warrants, options or derivatives in respect of any Shares or securities referred to in (a) and (b) ("**Relevant Securities**");
- 9.3.2 has dealt for value in any Relevant Securities in the 3-month period immediately preceding the Delisting Update Announcement Date;
- 9.3.3 has granted any security interest relating to any Relevant Securities to another person, whether through a charge, pledge or otherwise;
- 9.3.4 has borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold);
- 9.3.5 has lent any Relevant Securities to another person; or
- 9.3.6 has entered into any arrangement with any person of the kind referred to in Note 7 on Rule 12 of the Singapore Code on Take-overs and Mergers ("**Code**"), including any indemnity or option or arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Relevant Securities which may be an inducement to deal or refrain from dealing.

10. EXEMPTIONS BY THE SECURITIES INDUSTRY COUNCIL

- 10.1 As mentioned in the Delisting Update Announcement, the Securities Industry Council ("**SIC**") has exempted the Selective Capital Reduction from Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:
 - 10.1.1 the Non-Participating Shareholders and their concert parties abstain from voting on the Selective Capital Reduction;
 - 10.1.2 Dora Hoan Beng Mui, Doreen Tan Nee Moi, Huang Ban Chin, Li Lihui and Pek Wei Liang ("**Abstaining Directors**"), abstain from making a recommendation on the Selective Capital Reduction to the Eligible Shareholders; and
 - 10.1.3 the Company appoints an independent financial adviser to advise the Eligible Shareholders on the Selective Capital Reduction.
- 10.2 Pek Wei Liang, who is a Non-Executive and Non-Independent Director, is the son of Non-Participating Shareholder, Doreen Tan Nee Moi, and accordingly, is presumed to be acting in concert with the Non-Participating Shareholders.

- 10.3 In view of Pek Wei Liang's familial relationship with Doreen Tan Nee Moi and Li Lihui's familial relationship with Dora Hoan Beng Mui, and taking into consideration Note 3 of Rule 24.1 of the Code which states that directors who have an irreconcilable conflict of interests should not join with the remainder of the Board in the expression of its views on the offer, the SIC has ruled that the Abstaining Directors are to abstain from making a recommendation and are exempted from the requirement to make a recommendation on the Selective Capital Reduction to the Eligible Shareholders.
- 10.4 All Directors (including the Abstaining Directors) must, nonetheless, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements that may be issued by, or on behalf of, the Company to Eligible Shareholders in connection with the Selective Capital Reduction.

11. ABSTENTIONS IN RELATION TO THE RESOLUTIONS

- 11.1 The Non-Participating Shareholders and their concert parties will abstain from voting on the Resolutions at the EGM by reason of the following.
- 11.1.1 The Resolutions are intended to be inter-conditional;
- 11.1.2 In relation to the SCR Resolution, the abstentions are in accordance with one of the conditions by the SIC as set out in paragraph 10.1.1 above; and
- 11.1.3 The Non-Participating Shareholders and their concert parties must abstain from voting on the Delisting Resolution pursuant to Rule 1307 of the Listing Manual.

12. IRREVOCABLE UNDERTAKINGS

- 12.1 The Non-Participating Shareholders, who collectively hold 280,297,500 Shares comprising approximately 65.12% of the issued and paid-up share capital of the Company have each provided an unconditional and irrevocable undertaking to the Company (i) to waive any rights that they may have as a Shareholder to participate in the Selective Capital Reduction; and (ii) to abstain from voting on the Resolutions at the EGM.
- 12.2 As at the Announcement Date, none of the Non-Participating Shareholders, their concert parties and/or the Company has received any irrevocable undertaking from any Eligible Shareholder to vote in favour of the Resolutions.

13. INDEPENDENT FINANCIAL ADVISER

The independent financial adviser, Evolve Capital Advisory Private Limited ("**IFA**"), is appointed pursuant to Rule 1309(2) of the Listing Manual to advise the directors of the Company who are considered independent for the purpose of making a recommendation to the Eligible Shareholders in respect of the Selective Capital Reduction ("**Recommending Directors**").

14. CIRCULAR TO SHAREHOLDERS AND NOTICE OF EGM

Subject to the approval by the SGX-ST, a circular to Shareholders ("**Circular**") setting out relevant information relating to the Exit Offer and containing the advice of the IFA and the recommendation of the Recommending Directors, together with the notice of the EGM ("**Notice of EGM**") to be convened to seek the approval of the Shareholders for the Resolutions, will be despatched to Shareholders in due course.

Shareholders should refer to the Circular if and when it is issued, for further details on the Exit Offer. Please refer to the Company's website for further announcements in relation to the Exit Offer.

15. RESPONSIBILITY STATEMENT

- 15.1 **The Company.** The Directors have taken all reasonable care to ensure that the facts stated and opinions expressed herein (other than paragraphs 9.2, 9.3, and 11 above for which the Non-Participating Shareholders have taken responsibility, and all other facts relating to, and opinions expressed by, the Non-Participating Shareholders) are fair and accurate and that no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading. The Directors jointly and severally accept responsibility accordingly.
- 15.2 **The Non-Participating Shareholders.** The Non-Participating Shareholders have taken all reasonable care to ensure that the facts stated and opinions expressed in paragraphs 9.2, 9.3, and 11 above (other than all facts relating to, and opinions expressed by, the Company and the Financial Adviser) are fair and accurate and that no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading. The Non-Participating Shareholders jointly and severally accept responsibility accordingly.

Where any information in paragraphs 9.2, 9.3, and 11 above has been extracted or reproduced from published or otherwise publicly available sources (other than all facts relating to, and opinions expressed by, the Company and the Financial Adviser), the sole responsibility of the Non-Participating Shareholders has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in paragraphs 9.2, 9.3, and 11 above.

16. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company and to refrain from taking any action in respect of their Shares in the Company which may be prejudicial to their interests. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board
Best World International Limited

Huang Ban Chin
Chief Operating Officer and Executive Director
3 April 2024