



BEST WORLD INTERNATIONAL LTD

(Company Registration: 199006030Z)

Incorporated in the Republic of Singapore

Extraordinary General Meeting to be held on 7 April 2022

Responses to substantial questions relevant to the Resolution

No.	Questions from Shareholders	Replies
Ordinary Resolution 1		
1	<p>(i) May the management enlighten us as minority shareholders what price you would intend to offer for the coming exercise?</p> <p>(ii) The last share buyback price was SGD 1.36 per share. Is this the implied fair value per share of the company?</p> <p>(iii) Can the management let the minority shareholders know what the fair value of the company is as of FY 2021 to let them decide whether it is their benefit to sell back the share to company?</p>	<p>(i) As good practice, buyback price for any upcoming Equal Access Offer will be announced to all shareholders via SGXNet and would have taken into consideration the amount of surplus cash available for smooth operations, market conditions and the circumstances surrounding the Company at the point of the exercise.</p> <p>(ii) To establish an independent view of the fair value per share, an Independent Financial Adviser (“IFA”) would need to be appointed. This would be an expensive and time-consuming process and we are guided that, in the absence of a trading market for the shares for a long period of time, it would be challenging to establish the fair market value per share. Also, unlike a general takeover offer, the purpose of the share buyback exercise is to offer liquidity to shareholders only for a stipulated percentage of their total shareholdings in the Company.</p> <p>(iii) As noted above, any independent view on the fair value per share would need to be provided by an IFA. It would not be appropriate for the Company or Management to give shareholders such representations or advice in this case as acceptance of the share buyback offer would be dependent on a shareholder’s own personal circumstances i.e., the ability to hold on to the suspended shares without any need of any liquidity. If in doubt, shareholders are encouraged to seek advice from qualified personnel, such as a bank manager or solicitor.</p>
2.	<p>Why is it there another EGM on renewal of share buyback mandate within such a short time?</p>	<p>With reference to our revised Circular dated 23 March 2022, the shareholders had last approved the adoption of the Share Buyback Mandate to enable the Company to purchase or otherwise acquire its issued Shares at the AGM of the Company held on 30 September 2021. This 2021 Mandate will expire by 30 April 2022, being the date the subsequent AGM is required by law to be held, in accordance with Rule 707(1) of the Listing Manual.</p>

		<p>If approved, the Share Buyback Mandate dated 23 March 2022 will take effect from the date of the 2022 EGM and continue in force until the date of the 2022 AGM or such date as the next AGM is required by law to be held, whichever is the earlier, unless prior thereto, Share Buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting.</p>
3.	<p>Why does the company not want to declare a dividend instead of a share buyback? Is this arrangement to make it easier to delist the company, as the major shareholders' stake keeps increasing through the share buy-back?</p>	<p>The Company has considered a range of alternative structures that would allow it to provide liquidity to those shareholders who need liquidity. The response from shareholders in the previous share buyback exercise was very encouraging with high demand, as it was more than two times subscribed, so the company is aware that there are remaining shareholders who wish to tender their shares and a further buyback is the most efficient way to achieve this.</p> <p>Alternative structures, such as a dividend and a dividend with scrip shares, were considered. One of the principal challenges with these structures is that the proceeds are not focused to benefit those shareholders wishing to sell and who need liquidity. Further, the issuance of scrip shares dilutes those shareholders accepting the dividend, leaving a number of shareholders with small stub shareholdings.</p>
Others		
4.	<p>(i) Have the board considered delisting in SGX and relisting them in HKEX in view of a condition that possibly couldn't be met?</p>	<p>(i) With reference to note 2.3 of our announcement dated 11 November 2021, the proposed plan to the delisting will only take place when external financing is obtained to undertake a delisting exercise. There is also no definitive timeline as financing of such exercise remains uncertain at this time.</p> <p>The Company will provide an update to shareholders on any material developments in relation to the proposed delisting of the Company. Management is unable to comment on a relisting as our current focus is to offer solutions to any shareholders who still wish to tender their shares as there is no definitive timeline for the delisting.</p>

<p>(ii) Does the Board plan to delist the company through these means i.e., off market buyback, etc? Any progress in fulfilling the SGX requirement to lift the suspension now that pandemic seems to be under control?</p> <p>(iii) One of the reasons for not issuing dividend was to conserve cash, then why the increased in total remuneration given to the executive directors?</p>	<p>(ii) With reference to note 6 of our Offer Letter dated 17 January 2022, the undertaking of the Equal Access Offer would be an appropriate interim measure for the Company and it is aligned with the interests of Shareholders who need short term liquidity.</p> <p>Following the Equal Access Offer, there is no assurance that external financing can be obtained to undertake any delisting exercise.</p> <p>(iii) The executive directors' remuneration is based on fixed salary and incentives which are directly linked to the Group's profitability in accordance with their respective service contracts, and are also reviewed by Remuneration Committee ("RC") on an annual basis. With reference to page 68 of Annual Report 2020, the RC continues to evaluate different aspects of remuneration, namely, directors fees, salaries, allowances, bonuses, share-based incentives and awards, other benefits-in-kind and termination terms, to ensure that they are competitive and in line with market practices.</p>
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