

BEST WORLD INTERNATIONAL LIMITED

Company Registration No. 199006030Z

INDEPENDENT REVIEW – STATUS UPDATE

The audit committee (the “**AC**”) of Best World International Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to:

- (a) the announcements dated 23 February 2019, 19 March 2019 and 15 July 2019 relating to the independent review of the Franchise Model adopted by the Group (the “**Review**”);
- (b) the Notice of Compliance issued by SGX RegCo on 13 May 2019; and
- (c) the announcements dated 17 April 2019, 27 April 2019, 7 May 2019, 25 June 2019, 3 July 2019 and 1 November 2019 in relation to the Company’s application to SGX RegCo and ACRA for an extension of time to hold the annual general meeting (“**AGC**”) in respect of the financial year ended 31 December 2018 (“**FY2018**”),

Given the time taken since the commencement of the Review and the extensions of time sought for holding the AGM for FY2018, the AC wishes to provide shareholders with an update on the status of the Review.

The Review

The Review has been an comprehensive exercise with several principal objectives¹. The scope of the Review was first determined in March 2019 and was subsequently expanded in May 2019 pursuant to the Notice of Compliance. Achieving these objectives has involved a wide-ranging fact-finding exercise to establish the circumstances around the relationship with Changsha Best, reviewing documents and data points on sales in China, and reviews of the Groups internal control procedures and corporate governance practices.

In the course of the Review, the Independent Reviewer has made multiple trips to China to visit and interview franchisees and business partners, and review records and documents of the Group and third parties. While the Group has offered its cooperation to the Independent Reviewer by making available relevant documents and records within its possession, a large number of the documents and records required for the Review comprise documents and records owned by third parties, some of which have been reluctant to share their records due to confidentiality concerns. Negotiating confidentiality arrangements with these third parties has also added to the time taken to complete the Review.

During this time, the AC has held regular meetings with the Independent Reviewer, management and the auditors of the Company to discuss progress of the Review. Management has also been required to provide regular status updates to the AC on material developments on the Review. The AC and the Independent Reviewer have also been in communication with SGX RegCo regarding the Review.

¹ Please refer to the Company’s announcements dated 19 March 2019 and 15 July 2019 for further details on the objectives of the Review.

Status Update

Since the Company's previous update given on 1 November 2019, Changsha Best has provided the Independent Reviewer with access to additional documents and information requested, and has cooperated with the Independent Reviewer to facilitate the Review. Following discussions with the Independent Reviewer, the AC understands that certain information and document requests made based on reviews of the information previously provided are currently outstanding.

As at the date of this Announcement, the AC is cautiously optimistic that the Company is on track to meet the indicative timeline previously disclosed in the announcement on 1 November 2019, which has been reproduced below for convenience.

The AC would like to reassure shareholders that significant progress has been made in the Review, and that the Company will continue to devote the necessary resources to complete the Review as soon as reasonably practicable.

Further Announcements

Further announcement(s) will be made as and when there are material developments on this matter.

BY ORDER OF THE AUDIT COMMITTEE

Lee Sen Choon
Chairman of the Audit Committee
12 December 2019

Indicative Timeline

Shareholders should note that this timeline is indicative only and was prepared based on the Company's best estimate of the time required to complete the Review.

DATE	EVENTS
Mid-December 2019	Completion of fieldwork for the Review.
Early January 2020	Draft report to be provided to SGX RegCo for review.
Month of January 2020	SGX RegCo to review and discuss the draft report with the Independent Reviewer, and the Audit Committee (if applicable).
Early February 2020	Completion and issuance of the report on the Review. Announcement of executive summary of key findings of the Review on SGXNet. Despatch of Notice of AGM and FY2018 Annual Report to the Shareholders
Late-February 2020	AGM