Empowering Digital Asia

Best World International Limited Annual Report 2016

全美世界年报

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Empowering Digital Asia

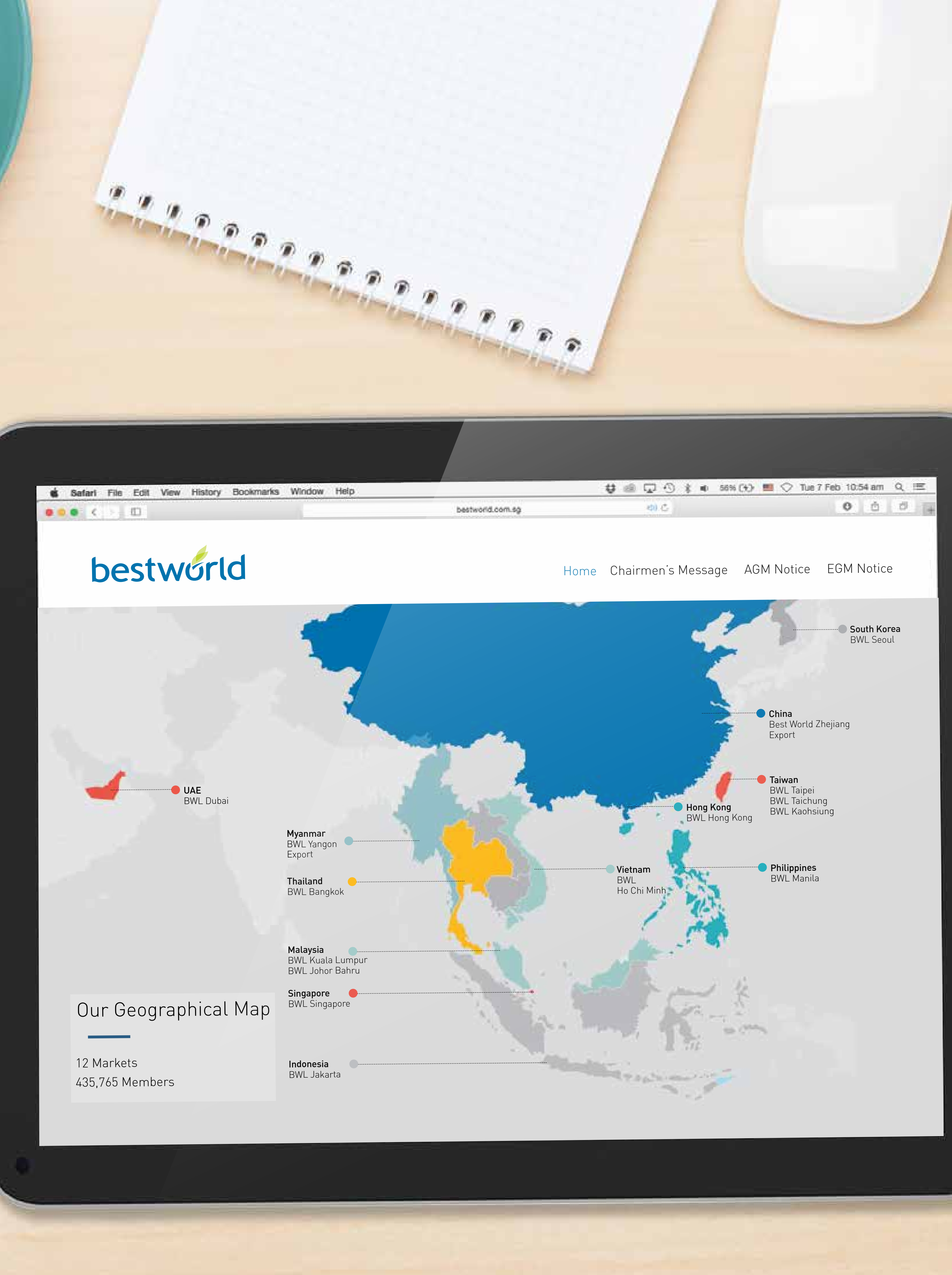
2016 marks a milestone in our continual quest to inspire and capture the dynamic growth in Asia. As we gain new momentum with the award of a direct selling license in China, we stay vigilant in embracing the evolving business climate and stepping up our preparations to enter a new phase of sustainable growth.

As vibrant Asia takes center stage in driving global economic growth, its inherent diverse markets with dense and upwardly mobile urban population drive the demand for a new era of industrial change. Working towards an enhanced supply chain with interoperative systems and sophisticated quality controls, decentralized decisions can be made to fuel growth with a higher degree of reliability and stability.

Knowing Asia better, and with unique insights and proven experience in building strong human relationship networks, we continue to be innovative in enhancing our online brand experience to share product information and trigger buying decisions more intuitively.

Staying faithful to upholding shareholder value, our nimble agility enables us to drive growth in Greater China regions and react quickly to challenges in other parts of Asia. Together as a company, we are committed beyond engineering growth and a social responsibility in transforming Asia for the better.


BWL Taiwan
Best World International
BWL Singapore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BWL Taipei
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BWL Hong Kong
Myanmar
BWL Yangon
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BWL Manila
Malaysia
BWL Kuala Lumpur
BWL Johor Bahru
Singapore
BWL Singapore
Indonesia
BWL Jakarta
Our Geographical Map
12 Markets
435,765 Members

Vision

To be a global leading health and wellness company dedicated to creating products that enhance the lives of our customers.

Mission

- The Preferred Choice for Consumers
- The Premier Choice for Distributors
- The Best Choice for Partnership

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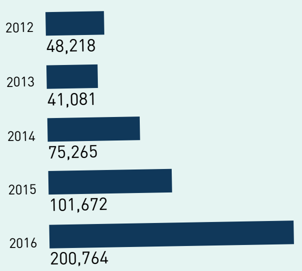
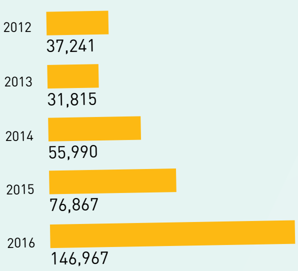
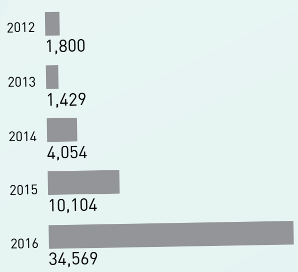
2016 Performance at a Glance



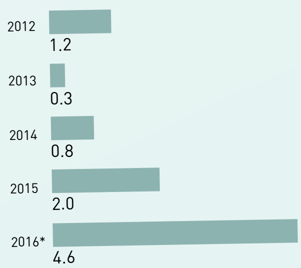
Revenue (S$'000)



Gross Profit (S$'000)



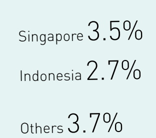
Net Profit Attributable to Owners of the Parent Company (S$'000)



Dividend Per Share (Cents)

* DPS was adjusted to include the issue of one bonus share for every four existing shares and proposed final one-tier tax-exempt dividend which is subject to shareholders' approval during the forthcoming annual general meeting.

Overall Membership Growth



Revenue (Geographical Segment)

Chairmen's Message

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Annual Report of Best World International Limited ("Best World" or the "Group") for the financial year ended 31 December 2016 ("FY2016"). The period under review marks an important milestone for the Group in our quest to inspire and capture the dynamic growth opportunities in Asia. As we continue to gain momentum in our key markets, we have also created a new set of opportunities in the world's second largest direct selling market* – China. Our FY2016 financial results bear this out and we are proud to present our scorecard for the year.

**Euromonitor*

Financial Review of FY2016

As we continue to gain momentum and extend our reach into our key markets of Taiwan and China, we delivered a record net profit of S$34.6 million for FY2016, a 242.1% increase from S$10.1 million in FY2015. Revenue surged 97.5% year on year to S$200.8 million for FY2016, on the back of continual growth from its key markets of Taiwan and China. Net profit margin also improved by 7.3 percentage points to 17.2% in FY2016 as the Group starts to reap economies of scale as it gains scale. Earnings per share for FY2016 was lifted to 12.56 cents from 3.67 cents as compared to a year ago.

Business Overview

We continue to reap results from our efforts in Taiwan, a market where we celebrated our 10th year of operations in November 2016. Taiwan's sales soared 118.0% and accounts for 61.3% of the Group's total revenue for FY2016. In the annual ranking survey conducted by the Fair Trade Commission of the Republic of China (中華民國公平交易 委員會), our performance this year has ranked us as the 9th position in Direct Selling Industry of Taiwan** from 14th position in FY2015. Building on the strong foundation and growth momentum in the market, we aim to improve our ranking by another few notches in FY2017.

*** Extracted from 直銷世紀，Power Networking Monthly magazine (http://dscentury.com/brainet/?p=3171)*

Having successfully emulated our Taiwan's business model in our China market and supported by higher demand for our skincare products, we recorded a significant increase in export sales to China. In addition, the approval of our China direct selling licence in July 2016 further lifted the morale of our China distributors, as reflected in our higher export orders from the Group's China agent in the second half of the year.

Dr Dora Hoan *(Left)*
Founder, Co-Chairman,
Group CEO/Managing Director

Dr Doreen Tan *(Right)*
Founder, Co-Chairman,
President, Executive Director

Over the past year in Indonesia, we have managed to attract new distributors through our new marketing campaigns. Having built a base of loyal customers, we made a strategic shift in focus from our weight management line to our skin care line in order to increase revenue contribution per member. Thus, we witnessed the temporary transition while the current group of distributors adapt to the change in product mix focus. Concurrently, we continue to step up our efforts in marketing activities to drive membership growth, education and sales.

In Singapore, we zoomed our efforts into attracting a younger group of distributors to prepare ourselves for the future. Coupled with continuous activities to engage members through our training programes, operational reviews and improvements, new product launches and refinement of new and existing promotional activities, we expect sales in our home market to pick up for FY2017, barring any unforeseen circumstances.

New Era of Growth in China

Seven years ago, we embarked on our journey to tap on the mammoth potential of the Chinese market. Over the years, we have completed the registration for all of our products as well as built up a strong network of local agents.

On 17 November 2016, a significant milestone was reached when the China's Ministry of Commerce (MOFCOM) announced Best World as the latest addition to the list of direct selling companies in China on its website, authorising the Group to conduct direct selling in Hangzhou city.

Moving forward, we will continue to expand the geographical coverage of our direct selling licence to other regions, starting with applications for cities where we currently have a presence in. These cities include cities in the Hunan province, Zhejiang province, Guangdong province, Heilongjiang province, Henan province, Szechuan province and Guizhou province, etc. The conversion of our current export model to the direct selling business model in China would also be carried out in several phases over the next few quarters of FY2017.

Having laid all the groundwork well ahead, we are confident of capitalising on the immense growth opportunities and believe that China will be our fastest growing market for at least the next three to five years. Together with our motivated distributors and committed team of management & staff in China, many of whom have been with the Company for a long time, we will continue to drive the expansion of our presence in the market.

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Going Digital

The evolution of direct selling continues to undergo major transformation such as selling through powerful social media and mobile technology which are gaining dominance on top of online buying. Such platforms not only allow the sharing of brand experience and testimonies but also encourage person-to-person interactions. As a Company, it is critical to embrace and adapt to these positive developments and effectively leverage on these tools to empower our distributors to nurture relationships with their customers to drive sustainable growth.

In our effort to enhance customers' shopping experience and promote distributors' efficiency, we launched our online store in Taiwan in 3Q2016 to allow customers to be able to shop with us 24/7. We further this effort with the introduction of our Android app "BWL Mobile" (全美邁博) in November last year, which is an extension of our online store into the mobile device platform. The app was so well received by our members that we plan to roll out the iOS version of the apps in 1Q2017 and subsequently the iPad version.

Related links

Product Training

Network Management

With smartphones ownership sky rocketing year after year, it is a natural phenomenon that WeChat is becoming a way of life for any individual in China. With the launch of our official WeChat media platform, our members will have access to information on all our brand offerings anytime, anywhere. On top of that, we also use the platform as our content marketing platform so as to continuously engage our members and distributors on a weekly basis.

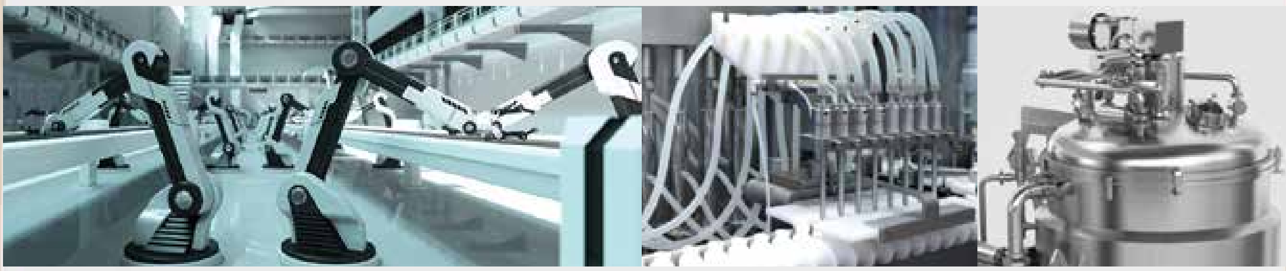
These are just a few of the many innovations we have implemented to continue delivering value to our distributors and customers through the innovative convergence of beauty and health with technology, digitalization and our corporate culture.

Looking Ahead

2017 will be an exciting year for us as we continue to expand at pace. Barring unforeseen circumstances, we are optimistic of sustaining growth in our key markets of China and Taiwan. We will leverage on our strong distribution channel and collaborate with our industry partners to develop and introduce new beauty and health solutions for our customers, thereby driving business growth.

Here in Best World, the adoption of digital technology is not only restricted to downstream activities. Our skincare manufacturing facility in Tuas, which we aim to commission by the end of FY2017, will embrace manufacturing digitalisation which presents opportunities in the form of connected machines, collaborative robots, and an integrated supply chain. Also known as Industry 4.0, these connected machines not only promise to boost productivity and improve top and bottom lines, but also integrate and enhance our supply chain allowing for both mass production and customisation. Upon completion, it will also be the first of its kind skincare manufacturing facility in Singapore.

In anticipation of greater demand from China and Taiwan, the production of our skincare closer to our key markets will significantly reduce our inventory lead time, strengthening our balance sheet. In addition, having full control over the quality of raw material implies a guarantee of the quality for our product offerings. In 2015, the World Federation of Direct Selling Associations reported that global direct sales



increased 7.7%, reaching US$183.7 billion – a new record. Asia, boasts the largest sales and the biggest growth, with 46% of global direct sales and a three-year CAGR of 10.6%.

On the back of favourable macroeconomic conditions, an increasing trend towards entrepreneurialism and an ability to adapt to both consumer trends and advances in technology, we are optimistic about the growth prospects of this industry. Against this backdrop, we will continue to focus our efforts to deepen penetration into our existing markets such as Singapore, Indonesia and Korea.

Corporate Social Responsiblility Movement

Together, as a Company, beyond engineering growth, we are also committed to social responsibility to inspire and improve the lives of the people around us. Inaugurated in FY2010 by Minister of Manpower, Mr Lim Swee Say, our World Learner Student Exchange Scholarship (WLSES) is in its 7th year and has since be awarded over 208 exchange scholarships to 41 beneficiary schools. This year, besides learning immersions with our partner Pei Chun Public School and Nanyang Primary School, scholarship recipients and students from both schools also reached out to children with special needs and elderlies at AWWA School and Senior Community Home through performance and interactive art activities, spending quality time with them.

Giving Back to Our Shareholders

We remain committed to driving and delivering value for our shareholders and are pleased to propose a final one-tier tax-exempt dividend of 3.0 cents per ordinary share for FY2016. Including an interim one-tier tax-exempt dividend of 2.0 cents per share, total dividend payout for FY2016 represents 36.6% of the Group's net profit. In addition, we also completed a bonus issue of one bonus share for every four ordinary shares on 19 September 2016.

To further increase the market liquidity of the Group's shares as well as provide greater affordability and accessibility for investors who wish to participate in the equity of the Company, the Board is also proposing a share split of every one existing ordinary share held by shareholders of the Company into two shares, subject to approval from shareholders at an extraordinary general meeting of the Company to be convened.

Appreciation

Having delivered another year of strong financial performance, we would like to express our gratitude to the management, staff and distributors for their dedication and commitment. We would also like to express our appreciation to the Board of Directors for their guidance and counsel, our customers, business associates and vendor partners for their continued support.

Last but not least, our heartfelt thanks go out to our shareholders and we look forward to your continued faith and support as we embark on the exciting year ahead!

Dr Dora Hoan
Founder, Co-Chairman,
Group CEO/Managing Director

Dr Doreen Tan
Founder, Co-Chairman,
President, Executive Director

点亮亚洲

2016年是全美世界茁壮成长标志性的一年，集团致力于把握亚洲成长契机，缔造了卓越的成绩单。取得中国直销许可证，更是为集团带来了崭新的发展动力，凭借着深耕亚洲的多年耕耘及切身亲历，集团已准备就绪，迎接可持续性增长的新阶段。

作为全球经济增长的驱动力，亚洲的经济迅速发展不仅包含与生俱来的多元化市场，更拥有着得天独厚的高度流动性城市人口，从而产生了相应产品需求，推动了新型工业的延伸与发展。集团致力开发高效供应链网络、先进自动化技术、严谨精细的质量管控，有效支援去中心化决策，并为推动集团增长提供可靠性及稳定性。

全美世界扎根亚洲，以独特的产品优势及强大的人脉关系网络，继续将创新价值展现于网络平台，提升品牌体验。通过消费者网上的积极分享，使消费者增加购买信心、产品更获青睐。

基于灵活精炼的运作机制使我们在大中华地区获得稳健增长，并敏锐应对集团于其他亚洲地区的业务挑战。为承担起保障股东利益的义务，我们在致力于持续激发集团营收增长的同时，一贯秉持着对社会关怀的信念，继续点亮亚洲，照亮世界。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2016 集团业绩一览
2012 48,218
2013 41,081
2014 75,265
2015 101,672
2016 200,764
集团营业额
2012 37,241
2013 31,815
2014 55,990
2015 76,867
2016 146,967
毛利润 (S$'000)
2012 1,800
2013 1,429
2014 4,054
2015 10,104
2016 34,569
总公司股东应占盈利 (S$'000)
2012 1.2
2013 0.3
2014 0.8
2015 2.0
2016* 4.6
每股股息 (分)
* 每股股息调整为包括我们已按每4普股配1红股的比例完成发行红股, 和集团提议派发每股0.03新元的2016财年终期单层免税股息，这有待股东在集团召开股东特别大会批准
会员增长幅度
278,789 2012
298,251 2013
377,830 2014
402,422 2015
435,765 2016
各地区营业额
中国 28.8%
台湾 61.3%
新加坡 3.5%
印尼 2.7%
其他 3.7%

各位股东：

我们谨代表全美世界有限公司（以下简称”全美世界”或”集团”）董事局，在此向你提呈集团截至2016年12月31日（“2016财年”）的年度报告。这一年度是集团在亚洲启动和把握增长良机的重要里程碑。随着我们在主要市场的增长势头持续壮大，我们也在全球第二大直销市场* – 中国–创造了新的商机。我们的2016财年的业绩表现印证了这一点，而我们也十分荣幸能够呈上我们这一年度的成绩单。

2016财年财务报告

随着我们在台湾和中国两大市场的参透，增长势头持续壮大，我们于2016财年的净利创下了3,460万新元的历史新高，比2015财年的1,010万新元多出242.1%。由于台湾和中国等主要市场持续取得增长，集团于2016财年的收入年比激增97.5%至2.008亿新元。2016财年的净利率也上升7.3个百分点至17.2%，因为集团业绩增长而开始取得规模经济效益。2016财年每股盈利从0.0367新元年比提高至0.1256新元。

欧睿信息咨询公司

范文瑂博士 *(左)*
创办人、联合主席
集团总裁/董事长

陈俐蓉博士 *(右)*
创办人，联合主席
集团总监，执行董事

愿景

成为全球首屈一指的健康生活品牌， 致力开发提高健康生活素质的产品， 让我们的顾客过着更十全十美的生活。

使命

- 成为顾客的首选
- 成为直销商的优选
- 成为商业伙伴的佳选

经营回顾

我们过去多年的耕耘，让我们持续从台湾这个市场收获成果，2016年11月是我们在台湾设立业务的第10个年头。台湾的销售额飙升118.0%，并占据集团2016财年总收入的61.3%。在中华民国公平交易委员会进行的年度排名调查中，我们这一年的表现从前年的排名十四跃升为台湾直销产业界的**第9位。由于基础稳固，以及在市场的增长势头强劲，我们希望我们的排名能够在2017财年提升几个名次。

随着集团成功地把其在台湾的作业模式复制在中国市场，以及中国对我们的护肤品的需求提高，我们对中国的出口销售录得显着的增长。此外，我们在中国的直销执照于2016年7月获得批准，进一步提振了我们的中国经销商的士气，这反映在我们于下半年从集团的中国代理商取得更多出口订单上。

*** 摘自直销世纪，Power Networking月刊 (http://dscentury.com/brainet/?p=3171)*

印尼方面，我们在前年成功透过崭新的行销计划吸引到新的经销商。因而建立了一批忠实的客户，去年我们调整了策略，把重心从体重管理产品转移至护肤品，以增加每名会员的消费业绩。因此，在我们进行这项暂时性过渡计划的当儿，既有一批经销商需要应付产品组合的改变。同时，我们继续加紧努力地进行营销活动，以提升会员人数并为更多会员提供培训和教育，从而希望推动销售额的增长。

新加坡方面，基于现有经销商的年龄老化， 我们未雨绸缪，开始着重在吸引更年轻的一批经销商，为将来做好准备。我们在今年会重组各种行销活动，培训课程及运动模式来振发新加坡的业务，若排除任何不可预见的情况，我们预计新加坡市场2017财年的销售额将会有所增长。

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中国 – 新增长市场

7年前，我们到中国挖掘这个具有庞大潜能的市场。在多年的努力下，我们成功注册了所有将在中国进行销售的产品，并且在当地建立了一个强大的代理销售网络。

2016年11月17日，当中国商务部在其网站上宣布全美世界获列入中国直销公司的名单中，并授权集团可在杭州市进行直销业务时，集团终于达到了一项重要的里程碑。

迈步向前，我们将继续把我们的直销牌照范围扩充与其他地区，首先是从我们目前已设有客户业务的城市开始。这些城市包括在湖南省、浙江省、广东省、黑龙江省、河南省、四川省、贵州省等省份的城市。我们也将在2017财年未来几个季度分阶段把我们在中国现行的出口模式转换为直销业务模式。

由于我们已经打下了良好的基础，我们有信心能够从巨大的增长机会中受惠，并相信中国至少将在未来3至5年成为我们增长最快速的市场。凭借我们在中国积极性强的经销商，以及全力以赴为集团努力的管理层与员工（其中许多人已在集团工作了很长一段时间），我们将持续在该市场扩展板图。

相关

产品培训

产品示范

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走向数码化

直销行业的发展继续经历重大的转变，例如透过具有影响力的社交媒体和移动科技来销售，这二者正逐步超越网络购物。这些平台不仅能让客户分享他们使用某品牌产品的经验和评价，亦能促进人与人之间的互动交流。作为一家企业，能够接受与适应这些利好的发展，以及有效地借助这些工具，让我们的经销商与他们的客户建立关系，从而持续取得增长是非常重要的。

为了令客户有更好的购物体验，以及提升经销商的效率，我们于2016财年3季度在台湾推出了我们的网络商店，让客户能够每天24小时购物。我们也于去年11月进一步推出我们的安卓（Android）应用程式－全美迈博（BWL Mobile），后者是从我们网络商店延伸出来的移动装置平台。这个应用程式十分受我们的会员欢迎，因此我们计划在2016财年1季度推出iOS（苹果公司的移动操作系统）版的应用程式，随后推出iPad版本。

随着智能手机用户逐年激增，微信（WeChat）逐渐成为中国每一个人生活的一部分将是自然的现象。在我们推出我们的官方微信媒体平台下，我们的会员将可随时随地获取我们所提供的所有品牌产品的信息。

此外，我们将使用这个平台来进行内容营销，以便每周让我们的会员和经销商得知有关集团的消息。

以上是我们已实行的一些新计划，可通过把美容、保健、科技、数码化 及企业文化结合起来，持续为我们的经销商及客户带来更大价值。

展望未來

对我们而言，2017年将令人十分期待，因为我们将持续拓展业务。若排除不可预见的情况，我们对中国及台湾等主要市场将能持续取得增长感到乐观。 我们将借助我们强大的分销渠道，与我们的业内伙伴合作，为我们的客户开发和推出新的美容与保健方案服务，从而推动业务增长。

在全美世界，数码科技的采用不仅限于下游活动。我们位于大士的护肤品生产厂房（目标是在FY2017底之前投入运作）将迎接制造业数码化技术，其中包含连接机器、协作机器人和一条综合供应链。亦称为“工业4.0”（Industry 4.0），这些连接机器不只能提高生产力和增加营业额与盈利，它们也融合并提升我们的供应链，令集团可以大量生产和提供定制服务。在这家厂房竣工后，它将是新加坡首家护肤品生产厂房。

由于预期来自中国和台湾的需求将提高，在更靠近我们的主要市场的地点生产护肤品将大大减低我们存货的交付周期，从而增强我们的财务状况。此外，全面控制原料的质素意味着我们所提供的产品的质素能得到保证。

在2015年，世界直销协会联盟（World Federation of Direct Selling Associations）报道全球的直销营收增加7.7%，达到1,837亿美元的新高。亚洲是销售额最大的贡献者，它也是取得最高增长的地区，其贡献占全球直接销售额的46%，3年年复合增长率（CAGR）为10.6%。由于宏观经济情况良好、有越来越多人选择创业，并且有能力应付消费趋势的改变和科技发展的影响，我们对这个行业的增长前景感到乐观。因此，我们将继续集中精力加深我们在新加坡、印尼与韩国等既有市场的渗透率。

企业社会责任活动

作为一家企业，除了推动增长外，我们也致力于承担社会责任，启发与改善在我们周围的人的生活。由新加坡人力部部长林瑞生先生于2010财年开展的“世界学习学生交流奖学金”（WLSES）已迈入第7年，至今已颁发超过208份交流奖学金给41所受益学府。这一年，除了与我们的伙伴

公立培群学校（Pei Chun Public School）和南洋小学（Nanyang Primary School）进行学习浸濡计划，奖学金得主与两所学校的学生也到AWWA特殊教育学校与乐龄社区之家（AWWA School and Senior Community Home），为有特殊需求的孩子以及乐龄人士

表演，与他们进行互动美术活动、共度时光。承继着公益的感染力，全美世界台湾分公司也资助了茂林国小24名原住民鲁凯歌谣队的跨国演出之旅，帮助他们实现在澳洲悉尼展现歌艺的梦想。

回馈股东

我们依然致力于推动和为我们的股东带来价值。集团提议派发每股0.03新元的2016财年终期单层免税股息。包括每股0.02新元的中期单层免税股息在内，2016财年的总股息派发额占集团净利润的36.6%。此外，我们于2016年9月19日按每4普股配1红股的比例完成发行红股。

为了进一步提高集团股票的市场流通性，以及让想要投资集团股票的投资者能以更廉宜、便利的方式进行投资，集团的董事局亦提议把集团股东持有的股票分拆出来，即每1普股分拆为2股，这有待股东在集团召开股东特别大会批准。

感谢

由于集团再次交出亮眼的业绩表现，我们想对集团的管理层、员工与经销商的贡献与努力表达谢意。我们也感谢董事局的指导与咨询，以及我们的客户、生意伙伴和供应商持续给予的支持。

最后，我们衷心感谢各位股东，并期盼我们在新的一年里能持续得到你们的信任与支持！

范文瑁博士	陈俐蓉博士
创办人、联合主席 集团总裁/董事长	创办人，联合主席 集团总监，执行董事

Subsidiaries Held by Best World International Ltd	Effective Shareholding
SINGAPORE Avance Living Pte. Ltd.	100%
SINGAPORE Celcott Investments Pte. Ltd. [1]	100%
SINGAPORE Best World Lifestyle Pte. Ltd.	100%
MALAYSIA Best World Lifestyle Sdn. Bhd.	77.5%
THAILAND BWL (Thailand) Company Limited [2]	49%
INDONESIA PT BWL Indonesia	80%
INDONESIA PT Best World Indonesia	80%
PHILIPPINES BWL Health & Sciences, Inc.	100%
VIETNAM Best World Vietnam Company Limited	100%
HONG KONG Best World Lifestyle (HK) Company Limited	100%
KOREA BWL Korea Co., Ltd	100%
TAIWAN Best World Lifestyle (Taiwan) Co., Ltd	100%
CHINA Best World Lifestyle (Shanghai) Co., Ltd.	100%
CHINA Best World (Zhejiang) Pharmaceutical Co., Ltd	100%
DUBAI BWL General Trading L.L.C [3]	49%

1 On 13 July 2016, the Company has incorporated a wholly-owned subsidiary in Singapore.

2 The Group considers the company as a subsidiary of the Group as the Group has management control over the company through a shareholders' agreement.

3 On 6 January 2016, the Company established a joint venture company in Dubai, UAE known as BWL General Trading L.L.C. Following the establishment, the Group holds 49% of the paid-up capital. The remaining 51% is held by a local Dubai partner. The group considers the entity as a subsidiary of the group as the group has management control over the entity through a shareholders' agreement.

DR DORA HOAN BENG MUI, PBM

Co-Chairman, Group CEO/Managing Director

Date of first appointment as a director: 11 December 1990
Date of last re-election as a director: NA
(According to Article 89 of the Company's Article of Association, Dr Dora Hoan Beng Mui, being the Co-Chairman, Group CEO / Managing Director, shall not be subject to retirement by rotation)
Length of service as a director (as at 31 December 2016):
26 years

Board committee(s) served on:
Nominating Committee

Academic & Professional Qualification(s):
- Bachelor's Degree in History, Nanyang University, Singapore
- MBA, National University of Singapore
- Honorary PhD, Kennedy Western University, USA
- PhD in Business Administration, Western Pacific University, USA

Present Directorships (as at 31 December 2016)
Best World International Limited

Other principal commitments
- Chairman, Direct Selling Association of Singapore
- Chairman, World Learner Exchange Program Committee
- Vice Chairman, Radin Mas CCC
- Past President, Council member, ASME
- CEO Council Member, World Federation of Direct Selling Association

Past Directorships held over the preceding three years in other listed companies (from 1 January 2014 to 31 December 2016)
Nil

Dr Doreen Tan Nee Moi, PBM

Co-Chairman, Executive Director/ President

Date of first appointment as a director: 11 December 1990
Date of last re-election as a director: 28 April 2015
Date of next re-election as a director: 26 April 2017
Length of service as a director (as at 31 December 2016):
26 years

Board committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Applied Nutrition, American Academy of Nutrition
- Honorary PhD, Kennedy Western University, USA
- Doctorate Degree in Naturopathy, Canyon College, USA

Present Directorships (as at 31 December 2016)
Best World International Limited

Other principal commitments
- Corporate Council Board Member, ASEAN Alliance of Health Supplement Associations
- Assistant Treasurer, Health Supplements Industry Association (Singapore)
- Patron, Pasir Ris West CCC

Past Directorships held over the preceding three years in other listed companies (from 1 January 2014 to 31 December 2016)
Nil

MR HUANG BAN CHIN

Executive Director and Chief Operating Officer

Date of first appointment as a director: 13 September 1994
Date of last re-election as a director: 22 April 2016
Length of service as a director (as at 31 December 2016):
22 years 3 months

Board committee(s) served on:
Nil

Academic & Professional Qualification(s):
Bachelor of Science, National University of Singapore

Present Directorships (as at 31 December 2016)
Best World International Limited

Other principal commitments
Nil

Past Directorships held over the preceding three years in other listed companies (from 1 January 2014 to 31 December 2016)
Nil

MR LEE SEN CHOON

Chairman of Audit Committee and Lead Independent Director

Date of first appointment as a director: 24 May 2004
Date of last re-election as a director: 28 April 2015
Date of next re-election as a director: 26 April 2017
Length of service as a director (as at 31 December 2016):
12 years 7 months

Board committee(s) served on:
Audit Committee
Remuneration Committee
Nominating Committee

Academic & Professional Qualification(s):
- Bachelor of Science (Hons) degree, Nanyang University, Singapore
- Post-Graduate Diploma in Management Studies, University of Salford, United Kingdom
- Fellow of The Institute of Chartered Accountants in England and Wales
- Practicing Member of Institute of Singapore Chartered Accountants

Present Directorships (as at 31 December 2016)
- Best World International Limited
- Hor Kew Corporation Limited
- Soon Lian Holdings Limited

Other principal commitments
- Senior Partner at UHY Lee Seng Chan & Co, Chartered Accountants
- Chairman, Board of Directors, Singapore Chinese High School
- Treasurer and Chairman of Finance Committee, Hwa Chong Institution Board of Governors
- Chairman of the School Advisory Committee of Xingnan Primary School

Past Directorships held over the preceding three years in other listed companies (from 1 January 2014 to 31 December 2016)
Nil

MR RAVINDRAN RAMASAMY

Chairman of Nominating Committee

Date of first appointment as a director: 24 May 2004
Date of last re-election as a director: 22 April 2016
Length of service as a director (as at 31 December 2016):
12 years 7 months

Board committee(s) served on:
- Nominating Committee
- Audit Committee
- Remuneration Committee

Academic & Professional Qualification(s):
- LL.M, National University of Singapore
- LLB (Hons), National University of Singapore
- Advocate & Solicitor, Singapore
- Member of the Law Society of Singapore
- Member of Singapore Academy of Law

Present Directorships (as at 31 December 2016)
- Best World International Limited
- Serial System Ltd

Other principal commitments
Practicing Partner at Colin Ng & Partners LLP

Past Directorships held over the preceding three years in other listed companies (from 1 January 2014 to 31 December 2016)
Nil

MR CHAN SOO SEN

Chairman of Remuneration Committee

Date of first appointment as a director: 7 March 2016
Date of last re-election as a director: 22 April 2016
Length of service as a director (as at 31 December 2016):
9 months

Board committee(s) served on:
- Remuneration Committee
- Nominating Committee
- Audit Committee

Academic & Professional Qualification(s):
- Master of Science in Management Science, University of Stanford
- Bachelor of Arts in Mathematics (Second Class Honors), Keble College University of Oxford

Present Directorships (as at 31 December 2016)
- Best World International Limited
- BreadTalk Group Limited
- Midas Holdings Limited
- Cogent Holdings Limited

Other principal commitments
Adjunct Professor, Nanyang Technological University

Past Directorships held over the preceding three years in other listed companies (from 1 January 2014 to 31 December 2016)
Nil

Past principal commitments
- Executive Vice President, SingBridge International Singapore Pte Ltd
- Minister of State, Various Ministries in Singapore
- Chief Executive Officer, Sino – Singapore Suzhou Industrial Park

JERRY LU

Senior Group Manager, S.E.A. Market Development
Senior Country Manager, S.E.A.

Mr Lu first joined the company as Marketing Manager in July 1995 and has been extensively involved in the strategic expansion and development of the Group's direct selling business within the region.

During this period, his consistent performance has led to his promotion as Senior Area Manager in 2007 and Regional General Manager in 2009. In 2011, he was subsequently appointed as Group Manager, Southeast Asia Market Development where his current role has been focused on the growth and development of the Group's interests in regions comprising Singapore, Thailand, Vietnam and Philippines. These responsibilities include overseeing the strategic planning, business development, operational business processes of these individual markets and mapping out strategies to strengthen market networks. Mr Lu holds a Bachelor's Degree in Commerce (Information Systems) from Curtin University, Australia.

KOH HUI

Senior Group Financial Controller

Ms Koh joined Best World in 2003 and has served in a number of finance and managerial positions. In 2004, Ms Koh was appointed Group Finance Manager where she headed the finance team and was instrumental in the successful listing of the company. She was subsequently assigned as Deputy General Manager, Best World (Hunan) Health Sciences Company Ltd, China from 2008 to 2009. Her consistent work performance led to her promotion to Senior Group Financial Controller in 2013, where her current responsibilities include overseeing accounting, finance, treasury, risk management and tax functions of the group. She also assists the executive director on all investor relations matters.

Prior to joining Best World, Ms Koh served as a senior auditor with Ernst and Young. She holds a Bachelor of Accountancy from Nanyang Technological University of Singapore and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

DR GAN KOK WEE

Senior Group Manager, Human Resource Development & Culture Communication

Dr Gan oversees the Group's education and training system. One of his key responsibilities is to design, develop and implement leadership training programmes for distributors and staff that meet the Group's vision and mission. He also works closely with the Group CEO in the strategic planning and development of the Group's human resources where his day-to-day operations include organising training workshops, one-to-one consultations, group facilitations and individual performance coaching of distributors.

Prior to joining Best World, Dr Gan has been in the education and training industry for more than 25 years, holding leadership positions in mainstream elementary to tertiary educational institutions as well as special education. He has over 20 years of coaching and mentoring experience with mature students in life skills acquisition and leadership development. Dr Gan holds double doctorate degrees in Computer Science from the National University of Singapore and Chinese Philosophy from East China Normal University.

HO KOK TONG

General Manager,
Best World (Zhejiang) Pharmaceutical Company Limited, China

Mr Ho has served in the past as General Manager of Operations and Corporate. In 2008, he was appointed as Country Manager for Taiwan and was subsequently promoted as Senior Country Manager in recognition of his consistent work performance and positive contributions. At the end of 2013, Mr Ho was appointed as Senior Group Manager, Business Development, as he returned to Singapore. His responsibilities included overseeing the strategic planning, business development and day-to-day operations of the Group.

Mr Ho was subsequently appointed as Acting Deputy General Manager, China in which he oversees the management and operations of our dietary supplement manufacturing subsidiary in Hangzhou City of China. A key function of his role is maintaining distributor relationships with the objective of further expanding the existing market share in China. With effect from 2016, he is designated as General Manager, Best World (Zhejiang) Pharmaceutical Ltd for the Hangzhou operations.

Prior to joining the Group in 2007, Mr Ho has had more than 20 years of finance and managerial experience working in both MNCs and SMEs. He also has over 10 years of experience in marketing health-related products in Southeast Asia. He graduated with a Bachelor of Commerce (Hons) from Nanyang University and is a Fellow Certified Public Accountants of Singapore (FCPA Singapore) and a Fellow of the Association of Chartered Certified Accountants (FCCA).

SUGIHARTO HUSIN
Senior Group Manager, Information System

Sugiharto joined Best World in 2006 and is responsible for all aspects of information technology at the foundation, where he provides technological direction and partners with senior executives to design and plan complex global technology initiatives, project implementation strategies, organizational change management, communications, training programs, disaster recovery and business continuity programs.

Sugiharto has been endeavouring in the IT field since 1993, working within the realms of software development, retail, healthcare and commerce industries. Prior to joining Best World, he was General Manager of IT Services in a local direct selling company. His experience in this industry enables him to effectively implement best practices and make IT one of Best World's competitive tools. Sugiharto holds a Bachelor's Degree with Honours in Computing & Information Systems from University of Central England. He is also a certified Architect for Enterprise Java Applications.

ANG PING
Group Manager, Branding

Mr Ang was appointed Group Manager, Branding since 2007 where he leads a brand management team that specialises in brand creation, extension and proliferation. He is responsible for the consistent implementation of brand standards for the company's portfolio of brands, ranging from skincare, healthcare to wellness products. This includes driving strategic initiatives in product design, experiential campaigns and animated videos to strenghten our online pressence. In addition, Mr Ang also heads the company's corporate social responsibility initiative, the World Learner Student Exchange Scholarship.

Prior to Best World, Mr Ang spent over 10 years in brand consulting. His rich experience and expertise ensures our brand experience stays unique and fresh in global competition. Mr Ang holds an MBA from the University of Chicago Graduate School of Business.

PHYLLIS TAN HUI KENG

Group Manager, Logistics

Ms Tan joined Best World in 1997 as an Accounts Executive. She was promoted to Supply Chain Manager in 2005 and subsequently as a Division Manager, Supply Chain in 2008. In 2015, she was promoted to Group Manager, Logistic. Her latest portfolio includes overseeing the Group's inventory planning and supply chain management.

Ms Tan holds a Bachelor's Degree in Commerce from Murdoch University, Australia

JANSEN TANG

Group Manager, Regional Membership &Commission
Country Manager, Best World Lifestyle (HK) Company Limited

Mr Tang joined the company in 2005 as a Management Trainee and was promoted as a Manager in 2006, where his responsibilities include supervising the calculation and distribution of bonus commission for distributors. His consistent performance saw him posted to China in 2007 to oversee the customer service and logistical operations for the Group's business in China. He was later promoted as Division Manager and subsequently as Group Manager, Regional Membership & Commission in 2010 and 2015 respectively. He assumed further responsibility as Deputy Country Manager, Hong Kong in 2012 and was subsequently promoted to Country Manager Hong Kong in 2015, where his role was expanded to include the strategic planning and business development in the region.

Mr Tang holds a Bachelor's Degree in Psychology and Economics from National University of Singapore.

SIMON YEH KUO TANG
Senior Country Manager,
Best World Lifestyle (Taiwan) Co., Ltd

Appointed as the Country Manager of Taiwan from January 2014, Mr Yeh is a direct selling veteran with over 18 years of management experience within the Industry. His proven track record, coupled with his wealth of industry know-how, will be instrumental in propelling BWL Taiwan into the next level of development. With his management experience and deep-seated sensitivity of the Asian markets, Mr Yeh brings even greater diversity and capability to our regional management team.

Prior to joining Best World, Mr Yeh was the General Manager of 2 separate Direct Selling companies in Taiwan, over a span of 12 years. Mr Yeh has a degree in Economics from Tamkang University in Taiwan.

DANIEL CHANG
Country Manager,
PT Best World Indonesia

Mr Chang joined PT Best World Indonesia as Finance Manager in 2005 and was promoted to Deputy Country Manager in 2007, subsequently assuming the position of Country Manager in 2009. In his current role, Mr Chang has taken an executive responsibility for the development and expansion of Best World's direct selling activities in Indonesia. He oversees the day-to-day operations and is in charge of sales, finance, marketing, leading business development efforts and maintaining distributor relationships in this region.

Prior to joining Best World, Mr Chang has held managerial positions with companies located in Indonesia. He holds a Bachelor's Degree in Accounting from Trisakti University, Indonesia, and an Executive MBA degree from California State University, East Bay, USA.

KIM BAKSIN
Country Manager
BWL Korea Co., Ltd.

Mr Kim joined BWL Korea in July 2010 and played a key role in setting up the Group's Korean subsidiary. He was subsequently appointed as Country Manager in July 2011 when operations commenced and is tasked with overseeing the day-to-day operations of the Group's Korean subsidiary and growing the Group's business in the Republic of Korea.

Mr Kim has extensive knowledge of the Korean direct selling market and has held various senior management positions of several Korean companies over the last 20 years. He was most recently Representative Director of Nikken Korea, Inc. He holds a Bachelor's Degree from Chosun University.

FOO CE YU
Deputy Country Manager
Best World Lifestyle Pte. Ltd., Singapore

Mr Foo joined Best World as a Management Trainee in 2005 and was placed in-charge of the distributor training system for the directing selling business.

The exposure to the distributor network in Singapore helped to develop his marketing skills, and he was subsequently promoted to Marketing Manager in 2006. In 2008, he was promoted to Division Manager and given a wider scope of responsibility covering marketing, training, and day-to-day operations in Singapore.

Proactively involved in Singapore's sales performance and distributor network development, he was promoted to Deputy Country Manager in 2015 to officially take on these responsibilities. He also hosted company events which made him the choice-host for the Group's annual international convention awards ceremony.

Mr Foo holds a Bachelor's Degree in Business Administration (Marketing) from the National University of Singapore.

YONG FULL LOONG

Deputy Country Manager,
Best World Lifestyle Sdn Bhd, Malaysia

Since joining Best World Lifestyle Malaysia as an IT Executive in 2004, Mr Yong has served in a variety of roles that include IT support, customer support services, communications and all sales activities for the company. He has been promoted to IT Asst. Manager in 2006, in which he provides consistent, reliable and effective services to customers and distributors. Mr Yong was subsequently involved in Marketing Communications in helping to promote the BWL brand image and marketing in Malaysia as Marcom Asst. Manager. In 2008, Mr Yong was assigned as Operation Asst. Manager to be involved in the development of Malaysia market.

In 2011, Mr Yong was transferred to BWL Singapore to assume the Marketing & Network Relations Manager role. He was also involved in managing the day-to-day operations, marketing and direct selling activities of distributors in Singapore region.

Mr Yong was subsequently promoted as Deputy Country Manager of Malaysia in 2014. He holds a Bachelor's Degree in IT from University Tun Abdul Razak, Malaysia

CHANSATID KAEMAVICHANURAT

Deputy Country Manager
BWL (Thailand) Company Limited

Mr Chansatid heads Best World's marketing initiatives and direct selling activities in Thailand, whereby his primary responsibilities include overseeing day-to-day operations, managing Best World's involvement in sales events and business development, and enhancing customer and distributor awareness in the region. Mr Chandsatid, first joined the company as Marketing Development Manager in 2007 and was promoted to Deputy Country Manager in 2010 in recognition of his consistent work performance. In 2014, Mr Chansatid was appointed to be a committee member of Thailand Direct Selling Association (TDSA).

Prior to joining Best World, Mr Chansatid has accumulated 17 years of experience in sales, marketing, operations and general management assignments. He holds a Bachelor's Degree in Commerce (Statistical Science) and an MBA (Marketing) from Chulalongkorn University.

MARICEL NIEVA
Deputy Country Manager
BWL Health & Sciences, Inc., Philippines

Ms. Maricel Nieva was appointed Deputy Country Manager of BWL Philippines since 2016. She manages all aspects of the implementation and development of the business programmes and support functions to facilitate the implementation of the country's business strategy. In addition, she provides leadership, strategic direction, management and evaluation of all facets of the BWL's marketing initiatives.

Prior to Best World, Ms. Nieva spent over 13 years in leading international companies, she developed essential competencies in Sales and Marketing, Human Resources, People Management, Events and Project Management of various international workforces. She has contributed to the implementation of changes in evolving business trends, fast growing sales, intensive network and consistently worked within multi-cultural industries that required mastering intense and varied leadership models to stir the team's support in achieving the desired outcome of various programs and projects that she have handled.

She also previously worked with different industries (Multi-level, Telecommunication, Real Estate and Hospitality) serving the overall goals of leading national and international workforces.

She holds a Bachelor of Communication in Arts Journalism at Bicol University, Legazpi City with honors (Cum Laude). A certified Lean six sigma yellow and green belter.

DICK KHOR
Deputy Country Manager
Best World Vietnam Company Limited, Vietnam

Mr Dick Khor joined Best World in March 2016 as a Regional Network development and Training manager. On 1st July 2016, he was appointed as Acting Country Manager of BWL Vietnam. He manages all aspects of the development and execution of the business programs, product talks, trainings, business strategies and management of BWL Vietnam.

Prior to joining Best World, Mr. Dick Khor was a senior management personnel of a few Direct Selling companies in Malaysia, Over a span of 26 years. He has been conducting trainings in India, Hong Kong and South East Asia.

Mr. Dick Khor has a degree in Engineering from Texas Tech University, USA

22 February 2017
Announcement of full year results for the financial year ended 31 December 2016

23 February 2017
Analyst Brief

26 April 2017
Annual General Meeting

9 May 2017
Proposed announcement of first quarter results ended 31 March 2017

11 May 2017
Dividend Book Closure Date

23 May 2017
Payment of final dividends

24 May 2017
Share Split Book Closure Date

25 May 2017
Effective date of Share Split

8 August 2017
Proposed announcement of first half year results ending 30 June 2017

10 August 2017
Proposed Analyst Brief

8 November 2017
Proposed announcement of third quarter results ending 30 September 2017

BOARD OF DIRECTORS

Dr Dora Hoan Beng Mui
Dr Doreen Tan Nee Moi
Mr Huang Ban Chin
Mr Lee Sen Choon
Mr Ravindran Ramasamy
Mr Chan Soo Sen

AUDIT COMMITTEE

Chairman
Mr Lee Sen Choon

Members
Mr Ravindran Ramasamy
Mr Chan Soo Sen

NOMINATING COMMITTEE

Chairman
Mr Ravindran Ramasamy

Members
Dr Dora Hoan Beng Mui
Mr Lee Sen Choon
Mr Chan Soo Sen

REMUNERATION COMMITTEE

Chairman
Mr Chan Soo Sen

Members
Mr Lee Sen Choon
Mr Ravindran Ramasamy

COMPANY SECRETARY

Ms Joanna Lim Lan Sim

REGISTERED OFFICE & BUSINESS ADDRESS

26 Tai Seng Street #05-01
Singapore 534057
www.bestworld.com.sg
info@bestworld.com.sg

SHARE REGISTRAR & SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00,
Singapore 068898

AUDITORS

RSM Chio Lim LLP Public Accountants and Chartered Accountants Singapore
8 Wilkie Road, #03-08
Wilkie Edge
Singapore 228095

AUDIT PARTNER-IN CHARGE

Mr Lee Mong Sheong
(effective from year ended 31 December 2012)

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited
21 Collyer Quay,
HSBC Building, #10-02
Singapore 049320

United Overseas Bank Ltd
80 Raffles Place
UOB Plaza 1, #07-01
Singapore 048624

INVESTOR RELATIONS

Financial PR Pte Ltd
4 Robinson Road, #04-01
The House of Eden
Singapore 048543
Tel: (65) 6438 2990
Fax: (65) 6438 0064

The Board of Directors (the "Board") of Best World International Limited (the "Company" or "Best World") firmly believes that good corporate governance is essential for the long-term sustainability of the Company's business and performance. The Company is fully committed to maintain its high standard of corporate governance to ensure greater transparency, accountability and protection of shareholders' interest.

This report describes the Company's corporate governance practices with specific reference to the revised Code of Corporate Governance 2012 (the "Code") issued on 2 May 2012 and other applicable laws, rules and regulations, including the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The Board confirms that for the financial year ended 31 December 2016 ("FY2016"), the Company has adhered to the principles and guidelines as outlined in the Code and where there are deviations from the Code, the reasons for the deviations are explained accordingly.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board oversees the activities of the Group, and is responsible for the Group's overall entrepreneurial leadership, strategic direction and performance to meet shareholder and stakeholder obligations.

The Board comprises six directors as at the end of FY2016 and as at the date of this report. Together, the directors command a wide range of business, legal and financial experience that collectively contribute to the success of the Group.

Dr Dora Hoan Beng Mui	Co-Chairman, Group CEO / Managing Director
Dr Doreen Tan Nee Moi	Co-Chairman, President
Mr Huang Ban Chin	Executive Director and Chief Operating Officer
Mr Lee Sen Choon	Lead Independent Director
Mr Ravindran Ramasamy	Independent Director
Mr Chan Soo Sen	Independent Director

The Board's principal functions are:

a) Setting strategic and financial objectives of the Company and monitoring the performance of Management;
b) Considering sustainability issues including environmental and social factors in the formulation of the Group's strategies;
c) Approving annual budgets, funding requirements, expansion plans, capital investment, major acquisitions and divestments proposals;
d) Approving nominations of board directors, committee members and key personnel;
e) Overseeing the framework of internal controls to ensure its adequacy, make sure risks are assessed and managed, including safeguarding of shareholders' interests and the company's assets, accurate financial reporting and compliance with relevant laws, regulations and policies;
f) Determining the Group's values and standards including ethical standards; and
g) Approving transactions involving interested parties.

The Company has formulated guidelines setting forth matters reserved for the Board's decision. The Management of the Company (the "Management") was also given clear directions on matters, including financial authorization and approval limits for operational matters and capital expenditure. The Board approves transactions exceeding certain threshold limits and while delegating authority for transactions below these limits to Management to facilitate operational efficiency.

The Board continues to approve matters which, under the Singapore Companies Act, Chapter 50 and SGX-ST Listing Manual require Board approval. Specifically, the Board has the responsibility to approve the following:

- Joint ventures, mergers and acquisitions
- Appointment of directors and key management staff of the Company;
- Acquisition and disposal of non-routine assets, investments and treasury products exceeding $500,000; and
- Declaration of interim dividends by the Company

To facilitate effective management, certain functions have been delegated to various board committees, namely the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Audit Committee ("AC") to assist the Board in the execution of its responsibilities. These Board Committees are made up wholly or predominantly of and chaired by independent directors. Each Board Committee has its own written Terms of Reference, which clearly set out the objectives, duties, powers, responsibilities as well as qualifications for committee membership. Minutes of all Board Committees have been circulated to the Board so that directors are aware of and are kept informed as to the proceedings and matters discussed during the Board Committees' meetings.

The full Board meets at least 4 times a year and additional meetings are convened as and when deemed necessary. The Company's Articles of Association ("AoA") provide for the Board to convene meetings via telephone or other similar communication facilities whereby all persons participating in the meeting can communicate as a group, and such meeting shall be deemed to take place where the majority of directors present is assembled.

The frequency of the Board and Board Committees' meetings and the attendance of each director at these meetings for the financial year ended 31 December 2016 is set out in the table below:

	Board	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
Total number of meetings held	4	4	1	2
Meetings attended:				
Dr Dora Hoan Beng Mui	4/4	–	1/1	–
Dr Doreen Tan Nee Moi	4/4	–	–	–
Mr Huang Ban Chin	4/4	–	–	–
Mr Lee Sen Choon	4/4	4/4	1/1	2/2
Mr Ravindran Ramasamy	4/4	4/4	1/1	2/2
Mr Chan Soo Sen*	3/3	3/3	–	1/1

*Appointed on 7 March 2016

A formal letter is sent to newly-appointed directors upon their appointment explaining their duties and obligations as a director. New directors will also be briefed during the orientation program on the overview of the business operations, the latest results announced, the company's corporate governance practices, regulatory regime, their duties as directors and the relevant committee's terms of reference. The director is also introduced to key management personnel and given the opportunity to visit the Group's operational facilities.

Board members are encouraged to attend seminars at least annually and receive training to keep abreast of current developments to properly discharge their duties as directors. The Company works closely with professionals to provide its directors with updates on changes to relevant laws, regulations and accounting standards. Our independent directors are also engaged full time in their respective profession, keeping them updated in their fields of knowledge.

In FY2016, the list of training attended by executive directors is as follows:

Training Program	Participant
Corporate Positioning and Value Creation Program	Dr Dora Hoan Beng Mui
Shape Your Legacy. Explore New Frontiers	Dr Dora Hoan Beng Mui
26th Meeting of the ASEAN Traditional Medicines and Health Supplements Product Working Group (TMHS PWG)	Dr Doreen Tan Nee Moi
ASEAN Advanced E-Commerce Seminar	Mr Huang Ban Chin
Currency, Employment and Property Outlook Seminar	Mr Huang Ban Chin
Business Model Generation Workshop	Mr Huang Ban Chin

BOARD COMPOSITION AND GUIDANCE

Principle 2

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises six directors of whom three are independent non-executive directors and three are executive directors. The Company maintains a strong and independent element on the Board with the independent directors constituting half of the Board. The independent directors have confirmed that they do not have any relationship with the Company or its related companies or its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company, and they are able to exercise objective judgment on corporate affairs independently from the Management and its 10% shareholders.

As half of the Board is independent, the Board and the NC are satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs.

The independence of each director is reviewed annually by the NC. Particular scrutiny was applied in assessing the continued independence of Mr Lee Sen Choon and Mr Ravindran Ramasamy; having served as directors beyond nine years from the date of their first appointment, with attention to ensure that their allegiance remains clearly aligned with shareholders' interest. Mr Lee Sen Choon and Mr Ravindran Ramasamy had each duly recused himself from the discussion and decision in respect of his own independence.

The following were some of the factors considered in reviewing the independence of the director who has served beyond nine years:

(a) whether the director is free from any dealings, relationships or circumstances that could affect or appear to affect his independent judgement, particularly with regards to whether the director has indicated or demonstrated an alignment or ongoing support for any specific group of stakeholders, instead of representing the interests of all stakeholders;

(b) whether the length of service has had any adverse impact on the director's objectivity and judgement and whether during the tenure there has been any impairment to his ability to discharge his duties and responsibilities in the overall interest of the Group, taking into consideration the interests of all stakeholders; and

(c) whether the director continues to exhibit a firm commitment to his role and continues to actively contribute with the knowledge and experience of the Group's business built up over the years.

The Board has determined that the long serving directors remained independent in character and judgment and there were no relationships or circumstances which were likely to affect, or appear to affect, the directors' judgment. The independent directors continue to be committed to carry out their roles and responsibilities, ensuring that the strategies proposed by the Management are constructively challenged, fully discussed and examined, taking into account the long term interests of the Company's stakeholders which include shareholders, employees, customers and suppliers.

The Board has also conducted a review of the performance of each of the three independent directors and considers that each of these directors brings invaluable expertise, experience and knowledge to the Board and that they continue to contribute positively to the Board and Board Committee deliberation. Therefore, the Board is satisfied as to the performance and continued independence of judgment of each of these directors.

The NC reviews the size of the Board on an annual basis. Based on the latest review, there was general agreement that the present Board size is appropriate and facilitates effective decision making, taking into account the nature and current scope of the Company's operations, the requirements of the business of the Company and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

The Board and NC are also of the view that the current Board has the appropriate mix of expertise and experience in areas such as accounting and finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge. Together, the Board members possess a balanced field of core competencies to lead the Company. Details of the Board members' qualifications and experience are presented in this Annual Report under the section entitled "Board of Directors".

Whilst all the directors share an equal responsibility for the Company's operations, the role of the independent non-executive directors is crucial in helping to develop proposals on Company strategies and to ensure that the strategies proposed by the Management are constructively challenged. The independent non-executive directors are also responsible for reviewing the performance of the Management in meeting agreed goals and objectives and monitoring the reporting of performance.

To facilitate a more effective check on Management, the independent directors, led by the lead independent director, meet at least once a year without the presence of Management.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3
There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Chairman's duties and responsibilities include:

i. leading the Board to effectively cover all aspects of its role;
ii. reviewing the agenda and the board papers prepared for Board meetings to ensure significant items, particularly strategic issues are looked into and sufficient time is allocated for their discussion;
iii. setting an open and honest culture and encouraging debate;
iv. ensuring the directors receive board papers that are complete, adequate and timely before the meeting;
v. ensuring the proper conduct of meetings and accurate documentation of the proceedings with the help of the corporate secretary;
vi. ensuring effective communication with shareholders;
vii. encourage constructive relations within the Board and between the Board and Management and facilitating effective contribution from the independent directors.
viii. promoting high standards of corporate governance.

In addition to the above duties, the Chairman will assume other duties and responsibilities as may be required from time to time.

To efficiently run the Board, the Company has two directors, Dr Doreen Tan Nee Moi and Dr Dora Hoan Beng Mui designated as Co-Chairman on top of their existing duties as President and Group CEO / Managing Director respectively.

As the Company's operations span across many countries, both Dr Doreen Tan Nee Moi and Dr Dora Hoan Beng Mui are required to travel frequently for business. Hence, it would be desirable to have Co-Chairman so either one could chair the Board or General Meeting in the absence of the other.

Dr Dora Hoan Beng Mui, the Group CEO / Managing Director of the Company is one of the founders and a substantial shareholder of the Company. She has been personally involved in the day-to-day operations of the Company since its incorporation, providing the Group with vision and strong leadership and playing an instrumental role in developing the businesses of the Group. Her performance and remuneration are reviewed periodically by the NC and the RC respectively, which consists mainly of independent directors.

As major decisions in the Group are reviewed by the Board, which has a strong representation of independent non-executive directors, the Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

Shareholders with concerns may contact the Lead Independent Director - Mr Lee Sen Choon directly, when contact through the normal channels via the Co-Chairman, the Executive Directors and the Senior Group Financial Controller has failed to provide a satisfactory resolution or when such contact is inappropriate.

BOARD MEMBERSHIP

Principle 4

There should be a formal and transparent process for the appointment and reappointment of directors to the Board.

As at the date of this report, the NC comprises four directors, a majority of whom, including the chairman of the NC are independent:-

Chairman	:	Mr Ravindran Ramasamy (Independent Non-Executive Director)
Member	:	Dr Dora Hoan Beng Mui (Co-Chairman, Group CEO / Managing Director)
Member	:	Mr Lee Sen Choon (Lead Independent Non-Executive Director)
Member	:	Mr Chan Soo Sen (Independent Non-Executive Director)

The NC is established for the purpose of ensuring that there is a formal and transparent process for all Board appointments. It has adopted written terms of reference defining its composition, procedures governing meetings, duties and functions, reporting procedure, disclosure in the annual report in compliance with the Code of Corporate Governance and procedures relating to changes in the NC's Terms of Reference.

The duties of the NC are as follows:

a) To make recommendations to the Board on all board appointments;

b) To re-nominate directors with regards to their contribution and performance;

c) To determine annually whether a director is independent;

d) To review the composition of the Board and make recommendations on the performance criteria and appraisal process to be used for the evaluation of the individual directors; and

e) To assess the effectiveness of the Board as a whole and decide if each director has been adequately carrying out his or her duties.

The NC reviews annually the independence declarations made by the Company's independent non-executive directors based on the criterion of independence under the guidelines provided in the Code. For the year under review, the NC has ascertained the independence status of the two independent non-executive directors of the Company, namely Mr Ravindran Ramasamy and Mr Lee Sen Choon. The Board has also reviewed the number of years served by each independent non-executive director. Having considered their character, their in-depth knowledge of the Group's business operations, past and continuous contributions at Board level in terms of impartial and constructive advice, the Board is of the view that there is no material conflict between their tenure and their ability to discharge their role as independent non-executive directors.

The NC adopted internal guidelines addressing competing time commitments that are faced when directors serve on multiple boards. The Board has determined that directors should not concurrently hold more than six listed company board representations.

The NC monitors and determines annually whether directors who have multiple board representations and other principal commitments, give sufficient time and attention to the affairs of the Company and adequately carry out his or her duties as a director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual director and his actual conduct on the Board, in making this determination.

The NC was satisfied that in FY2016, directors with other listed company board representations and / or other principal commitments were able to carry out and had been adequately carrying out, their duties as directors of the Company.

In the selection process for the appointment of new directors, the NC reviews the composition of the Board and identifies the skill sets which will enhance the Board's overall effectiveness. Potential candidates are identified from various sources. Thereafter, the NC conducts an initial assessment to review a candidate's qualifications, attributes and past experience followed by interviewing short-listed candidates. The proposed candidates' independence, expertise, background and skills sets will be considered before the NC makes its recommendations to the Board. On the recent appointment of a new independent non-executive director, the Board sought for a candidate with extensive operating experience in China to advice on the expansion of the Group's operations. Mr Chan Soo Sen stood out based on his vast experiences on working with the Chinese, his strong network and in-depth knowledge about the culture and operating environment in China.

In accordance with Article 93 of the AoA of the Company, at each Annual General Meeting ("AGM"), not less than one-third of the directors are required to retire from office by rotation. Accordingly, the directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years.

Pursuant to Article 89 of the AoA of the Company, Dr Dora Hoan Beng Mui, being the Co-Chairman, Group CEO / Managing Director, shall not be subject to retirement by rotation.

Pursuant to Article 93 of the AoA of the Company, Dr Doreen Tan Nee Moi and Mr Lee Sen Choon shall retire at the forthcoming AGM. In this regard, the NC, having considered the attendance and participation of these directors at the Board and Board Committee Meetings, has recommended their re-election. The retiring directors, being eligible, have offered themselves for re-election at the forthcoming AGM. The Board has concurred with the NC's recommendation.

Each member of the NC shall abstain from voting on any resolutions and making any recommendations and / or participating in any deliberations of the NC in respect of his or her re-election as a director.

BOARD PERFORMANCE

Principle 5

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Board has, through the NC, implemented an annual evaluation process via the use of evaluation forms to assess the effectiveness of the Board and the Board Committees as a whole and the contributions by each individual director. The NC is also responsible for deciding how the Board's performance may be evaluated and considers practical methods to assess the effectiveness of the Board and its Board Committees.

The evaluation of Board's performance as a whole deals with matters on Board composition, information to the Board, Board procedures, Board accountability, the Board's preparedness to deal with problems and crisis, the functioning of the Board Committees, CEO / Top Management and standards of conduct. The criteria for the evaluation of individual director include amongst others, attendance at meetings, directors' duties, their contribution to the testing and development of strategy and to risk management, know-how and interaction with fellow directors, senior management, shareholder and auditors.

The completed forms are returned to the Company for compilation of the average scores. The compiled results are then tabulated and presented at the NC Meeting for the NC's review. The Chairman of the NC will then present the deliberations of the NC to the Board.

The annual evaluation exercise provides an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes had allowed him to discharge his duties effectively and to propose changes which may be made to enhance the Board effectiveness as a whole as well as the efficiency and effectiveness of the Board Committees in assisting the Board.

The results of the overall performance of the Board pointed towards consistently good ranking in most areas and trending towards outstanding performance. Each director has contributed positively to the effective functioning of the Board and Board Committees. In addition, the NC is also satisfied that sufficient time and attention has been given by the directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations.

No external facilitators were used in the assessment of the Board as a whole, its Board Committees and the individual directors.

ACCESS TO INFORMATION

Principle 6

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Board members are provided with complete, adequate and timely information on Board affairs and issues that require the Board's attention and decision.

The Board has separate and independent access to management executives of the Group and has unrestricted access to the Company's records and information.

Board papers are furnished to the Board five days prior to any board meeting. This allows directors sufficient time to review and consider the matters to be discussed. The board papers include minutes of the previous meeting, reports relating to investment proposals, financial results announcements, financial analysis reports, risk reporting summary and reports from internal auditors, external auditors and Board Committees etc.

However, sensitive matters may be tabled at the meeting itself or discussed without papers being distributed. Employees, who can provide additional insight into matters to be discussed, are also invited to be present during the relevant discussions. From time to time, the Board requests for additional information to be reported in the board papers in response to new regulations or to assist them in decision making.

Directors have separate and independent access to the Company Secretary. The Company Secretary assists the board on the compliance of the Group with the Memorandum and Articles of Association and regulations, including requirements of the Companies Act, Cap 50, and the Listing Manual of the SGX-ST. The Company Secretary attends and prepares minutes for all Board and Board Committees meetings. The Company Secretary is responsible for ensuring good information flow within the Board, the Board Committees and the Management. Any decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

The Board exercises its discretion to seek independent professional advice at the Company's expense, if deemed necessary, to ensure that full information is available before important decisions are made.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises the following three independent non-executive directors as at the date of this report:

Chairman	:	Mr Chan Soo Sen
Member	:	Mr Lee Sen Choon
Member	:	Mr Ravindran Ramasamy

The RC is established for the purpose of ensuring that there is a formal and transparent procedure for fixing the remuneration packages of individual directors. The overriding principle is that no director should be involved in deciding his own remuneration. It has adopted written terms of reference that define its composition, procedures governing meetings, duties and powers, reporting procedures, disclosure in the annual report in compliance with the Code of Corporate Governance and procedures relating to changes in the RC's Terms of Reference. Where necessary, the RC may seek professional advice on remuneration matters.

The duties of the RC are as follows:

a) reviewing and recommending to the Board, a remuneration policy framework and guidelines for remuneration of the Board and the CEO and key management personnel;

b) determining specific remuneration packages for each of the directors and key management personnel covering all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

c) seeking expert advice inside and / or outside the Company on remuneration of all directors, if necessary, and ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

d) reviewing the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, aim to be fair and avoid rewarding poor performance;

e) recommending targets and measures for assessing the performance of each of the executive directors and key management personnel, for endorsement by the Board of Directors;

f) where long-term incentives schemes have been implemented by the Company, reviewing whether executive directors and key management personnel should be eligible for benefits under the long-term incentives schemes;

g) periodically considering and reviewing remuneration packages in order to maintain their attractiveness, so as to retain and motivate the directors and key management personnel; and

h) considering the implementation of schemes to encourage non-executive directors to hold shares in the Company so as to better align the interests of such non-executive directors with the interests of shareholders.

LEVEL AND MIX OF REMUNERATION

Principle 8

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

One of the responsibilities of the RC is to review the remuneration framework of the Board and key management personnel in the Group, and to consider and review the remuneration package and / or service contract terms for each of the directors and key management personnel.

Executive directors do not receive directors' fees. They have service agreements with the company that are renewed every three years. In addition to the basic salary component and benefits-in-kind, the executive directors' remuneration is linked to performance via a tiered incentive bonus based on profit before tax. The Remuneration Committee reviews the audited group financial results against the targets achieved before approving the distribution of the annual incentive bonus.

The independent non-executive directors are paid director's fees, consisting of a base fee for their appointments in the Board and its committees and fees for chairing each board committee and / or being a Lead Independent Director, for their effort and time spent and for their responsibilities and contribution to the board. As the job of the independent non-executive director is made more difficult with the ever-changing accounting standards and to keep track of developments in the regulatory landscape namely, the enhanced auditor's report, audit quality indicators, financial reporting surveillance programme and corporate governance, this would require the Board members to stay updated with increasingly technical standards that require higher levels of understanding and judgement. In view of the increased responsibilities, the RC has recommended and the Board has accepted the proposed increase in directors' fees from $126,000 for FY2015 to $150,224 for FY2016.

The fee structure is as follows:

Base fee for appointments in the Board and its committees	$47,000
Additional fee for chairing each Board Committee	$3,000
Additional fee for appointment as Lead Independent Director	$2,000

This recommendation will be tabled for shareholders' approval at the forthcoming AGM.

Key management remuneration comprise basic salary and a variable bonus which is based on individual and Group performance as a whole for that year. Key performance indicators that determine performance are different for each key management personnel.

Since FY2013, the Company has commenced the use of claw back clauses for key management positions whereby the Company shall have the right to reclaim all or any portion of bonus payment within the last three fiscal years in the event of significant restatement of the Company's financial statements due to fraud or misconduct committed by the bonus recipient.

DISCLOSURE ON REMUNERATION

Principle 9
Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

For competitive reasons and difference in salary benchmarks across the countries we operate in, the Company shall disclose the remuneration of individual executive directors and the top five key management personnel on a named basis in bands of $250,000.

The breakdown of remuneration for each director and the top five key employees for FY2016 are as follows:

	Remuneration Bands/ Remuneration	Salary[1] (%)	Bonus (%)	Benefits-in-kind (%)	Fees (%)	Total (%)
Executive Directors						
Dr Dora Hoan Beng Mui	$3,000,000 to $3,250,000	26	73	1	-	100
Dr Doreen Tan Nee Moi	$3,000,000 to $3,250,000	26	73	1	-	100
Mr Huang Ban Chin	$1,500,000 to $1,750,000	31	68	1	-	100
Independent Directors						
Mr Lee Sen Choon	$52,000	-	-	-	100	100
Mr Ravindran Ramasamy	$50,000	-	-	-	100	100
Mr Chan Soo Sen	$40,984	-	-	-	100	100
Mr Robson Lee Teck Leng[2]	$7,240	-	-	-	100	100
Top Five Key Management Personnel						
Mr Simon Yeh	$750,000 to $1,000,000	22	78	-	-	100
Mr Jerry Lu Shih Chieh	$250,000 to $500,000	54	45	1	-	100
Ms Koh Hui	$250,000 to $500,000	54	45	1	-	100
Dr Gan Kok Wee	$250,000 to $500,000	56	44	-	-	100
Mr Sugiharto Husin	$250,000 to $500,000	54	45	1	-	100

(1) Comprises salary and all CPF contributions

(2) Mr Robson Lee Teck Leng resigned on 22 February 2016

There are no extraordinary termination, retirement and post-employment benefits granted to the directors and the top five key management personnel. Compensation for immediate termination is the notice period remuneration unless termination is due to misconduct, where no compensation will be granted.

The aggregate of the total remuneration paid to the top five key management personnel for FY2016 is $2,130,606.

In line with the revised code of corporate governance, details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds $50,000 during the year are disclosed as follows:

Immediate Family Member of Director	Relationship with director	Designation	Remuneration Bands
Hoan Beng Hua	Brother of Dr Dora Hoan Beng Mui	Senior Production Supervisor	$100,000 – $150,000
Tan Sing Keng, Joseph	Brother of Dr Doreen Tan Nee Moi	Warehouse Assistant	$50,000 – $100,000

As mentioned in the policy for remuneration above, bonus targets are used to drive performance and amounts declared are based on individual performance and company performance as a whole for FY 2016.

Long Term Incentive Scheme

The Company has a performance share scheme known as the BWI Performance Share Scheme (the "Scheme") which is administered by the Remuneration Committee.

There were no share awards granted during the financial year under the Scheme. No new shares have been issued during the financial year by virtue of the grant of share awards under the Scheme.

The Circular to Shareholders dated 8 April 2009 containing the details of the Scheme is available to shareholders upon their request.

ACCOUNTABILITY

Principle 10

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board, through its announcements of quarterly and full-year results, aims to provide shareholders with a balanced and understandable assessment of the Company's performance and prospects.

Qualified personnel are tasked to oversee key laws and regulations for compliance. The Board monitors instances of non-compliance if any and assesses annually whether there is a need for additional review on the applicable laws and regulations.

Management provides all members of the Board with management accounts which comprises the consolidated profit and loss accounts, sales analysis, operating profit, profit before tax and attributable profit by major regions followed by explanations of significant variances for the quarter and year-to-date. Subsequent to the Board's review, the results are released via SGXNET to SGX-ST and the public.

Negative assurance statements supported by the Co-Chairman, Group CEO / Managing Director and Co-Chairman, President were issued to accompany the Company's quarterly financial results announcements, giving shareholders confirmation that to the best of its knowledge, nothing had come to its attention which would render the Company's quarterly results false or misleading.

The Company has also procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board has instituted risk tolerance levels to guide Management in the course of operations and achieving its strategic objectives. These tolerance levels were drafted based on the top risks identified by the Enterprise Risk Management ("ERM") committee. Board approval is required for initiatives involving greater risk exposures that exceed the predetermined levels.

The ERM committee, comprising the Executive Director and Chief Operating Officer – Mr Huang Ban Chin, department heads and chaired by the Lead Independent Director – Mr Lee Sen Choon assists the Board on risk management. The key components of the Company's risk management framework include:

Risks assessment – Risks that the Company is exposed to are identified, assessed and updated in the risk register. The risks are rated and ranked according to the likelihood and its impact. Top risks are highlighted for extra emphasis.

Risks monitoring – Risks are monitored through internal audits, internal reviews, questionnaires circulated to subsidiary management and the control self-assessment ("CSA") programme.

Risks response & risks reporting – The ERM committee holds regular meetings to discuss risk issues, new initiatives and reports material findings uncovered from risk monitoring. These meetings are thoroughly minuted and form part of the Board papers presented to the Board. Key risks exposures and statuses are also compiled in a risk reporting summary and submitted for Board review.

The top 5 risks the company faces are identified below:

1) Disruption in supply

Our head office supplies the regional centers with inventory. A forecast is prepared by the regional center to enable head office to determine how much should be ordered from the supplier. As these forecasts are based on estimates, the regional centers risk facing stock shortage when sales exceed their forecast. On the other hand, ordering too much result in higher storage costs and stock obsolescence. We regularly review sales forecasts, monitor custom regulations, maintain buffer stocks and work with our suppliers to minimize disruptions.

2) Sudden discontinuation of key product

Although BWI has a wide range of products, a few products within the range form the major part of revenue. For example, Plum Delite and some products in the DR Secret range of skin care products are huge generators of revenue. Discontinuation of products can arise because of restrictions of certain product ingredients imposed by the authorities. These changes in regulations are not controllable by BWI and unfavorable changes can occur despite having met initial requirements. The product development team keeps track of regulatory requirements of the countries that the company operates in and consistently seeks to enlarge the product range to reduce reliance on any single product.

3) Advertisements that over promise product efficacy

Distributors sometimes exaggerate the uses of our products, leading to regulatory intervention. Warnings or penalties might be issued to the company, causing reputation damage or monetary losses, affecting our profitability. The company only publishes product attributes that can be supported for each product on our website. Through trainings and interactions, we also remind our distributors not to over exaggerate about the product's efficacy and keep to the proven functions.

4) Changes in industry licensing requirements

Direct selling activities are usually subject to special licensing requirements in many countries. Any changes in regulations could result in termination or restriction of activities at our lifestyle centres. The impact of such an event is significant although it is not assessed to be likely. The continued operation of our manufacturing facility in BWZ is currently dependent on our facility being GMP compliant. Should there be any changes in requirements for example to the standards, the company might have to incur additional costs to fulfil the authority's requirements. We monitor changes closely to ensure that we remain compliant.

5) Unfavorable foreign exchange movements

As the Group operates internationally, revenue is generated in various currencies. Although subsidiaries are required to remit excess cash, the company still has foreign currency exposure should local currency fluctuate significantly against the

Singapore dollar. BWI monitors monetary policy changes, major currency exposures and attempt to fix rates where feasible to minimize unfavorable exchange rate fluctuations.

The CSA programme established since 2011 provides a framework to obtain feedback on the state of internal controls. The programme requires subsidiaries to review and report annually on the effectiveness of controls and the control environment to HQ and significant findings are reported to the Board. Periodically, internal audit and independent reviews would be conducted to validate the self-assessments.

The Company has in place a whistle-blowing policy to empower employees with avenues to report suspected fraud, corruption, dishonest practices and other acts of misconduct. The Company will follow up on all reports and treat all information received confidentially to protect the identity (if available) and the interest of all whistle-blowers. For incidents of severe nature, the AC will be informed and an independent team reporting directly to the AC will be established accordingly. For incidents with less severity, the ERM committee comprising of the heads of various departments will oversee the matter raised. There has been no reported incident pertaining to whistle-blowing for FY2016.

Based on the system of internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Board, with the concurrence of the Audit Committee are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls and risk management systems were adequate and effective as at 31 December 2016.

The Board has also received assurances from the Co-Chairman, Group CEO / Managing Director and Senior Group Financial Controller:

a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
b) that the Company's risk management and internal control systems are operating effectively.

AUDIT COMMITTEE

Principle 12
The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

As at the date of this report, the AC comprises three independent and non-executive directors:-

Chairman	:	Mr Lee Sen Choon
Member	:	Mr Ravindran Ramasamy
Member	:	Mr Chan Soo Sen

The Chairman, Mr Lee Sen Choon, has more than 30 years of experience in accounting, auditing, taxation and corporate secretarial work. The other members of the AC possess experience in finance, legal, business management and are exposed to regular updates from the relevant regulators. They are considered to be well qualified by the Board to discharge their duties in the AC.

The AC assists the Board in discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records, develop and maintain effective systems of internal control.

The duties of the AC are as follows:

External Audit
a) review with the external auditors and Management on the following:-
  i. the audit plan
  ii. their evaluation of the system of internal accounting controls and the effectiveness of the Company's audit function
  iii. significant financial reporting issues and judgments so as to ensure integrity of the financial statements of the company and any announcements relating to the company's financial performance
  iv. their audit report
  v. their management letter and Management's response

b) ensure co-ordination where more than one audit firm is involved

c) review the quarterly, half-year and annual financial statements and earnings releases before submission to the Board for approval

d) meet with the external auditors and internal auditors at least once a year in the absence of Management to discuss issues arising from the audit, including the assistance given by the Management to the auditors

e) report to the Board its findings from time to time on matters arising and requiring the attention of the AC

f) undertake such other reviews and projects as may be requested by the Board

g) undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time

h) consider and recommend to the Board, the appointment / re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors

i) oversee the Group Whistle Blowing Policy

j) review the independence of the external auditors annually and the aggregate amount of fees paid to the external auditors for that financial year and a breakdown of the fees paid in total for audit and non-audit services

k) ensure that the External Auditor has direct and unrestricted access to the Chairman of the Board and the AC

Internal Audit

a) review and report to the Board at least annually on the adequacy and effectiveness of the Company's risk management and internal controls, including financial, operational, compliance and information technology controls

b) review internal audit programme and the scope and results of the internal audit and its effectiveness

c) review the appointment, removal, evaluation and compensation of the internal audit function

d) review and monitor Management's responsiveness to the internal audit findings and recommendation

e) ensure that the Head of Internal Audit has direct and unrestricted access to the Chairman of the Board and the AC

Interested Person Transactions ("IPT")

a) approve the internal control procedures and arrangements for all future related party transactions to ensure that they are carried out on arm's length basis and on normal commercial terms

b) review transactions falling within the scope of Chapter 9 (Interested Person Transactions)

c) consider the need for a general mandate for IPT and obtain independent advisory support, if required

d) where a general mandate is being renewed, consider if the basis of determining the transaction process is adequate to ensure fair transaction terms

e) direct Management to present the rationale, cost-benefit analysis and other details relating to IPT subject to specific mandate

f) receive report from Management and internal audit on IPT

Internal Control

a) assess the effectiveness of the internal control and risk management systems established by the Management to identify, assess, manage and disclose financial and non-financial risks at least once a year

b) review the statements included in the annual report on the Group's internal controls and risk management framework

c) review reports from Management and internal auditors on the effectiveness of the systems for internal control, financial reporting and risk management

d) review the Group's procedures for detecting fraud and whistleblowing, and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters

Risk Management

a) advise the Board on the Group's overall risk tolerance and strategy

b) oversee and advise the Board on the current risk exposures and future risk strategy of the Group

c) in relation to risk assessment, (i) keep under review the Group's overall risk assessment processes that inform the Board's decision making; (ii) review regularly and approve the parameters used in these measures and the methodology adopted; and (iii) set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance

d) review the Group's capability to identify and manage new risk types

e) before a decision to proceed is taken by the Board, advise the Board on proposed strategic transactions, focusing particularly on risk aspects and implications for the risk tolerance of the Group, and taking independent external advice where appropriate and available

f) provide advice to the Remuneration Committee on risk weightings to be applied to performance objectives incorporated in executive remuneration
g) review promptly all relevant risk reports on the Group
h) review and monitor the Management's responsiveness to the findings

The AC has the authority to investigate any matter within its terms of reference and enjoys full access to and co-operation from Management to enable it to discharge its function properly.

The AC met with the external auditors without the presence of any executive director and Management personnel at least once in FY2016.

The AC has reviewed the non-audit services provided by the external auditors for FY2016 and is of the opinion that the provision of such services did not affect the independence or objectivity of the external auditors. Total fees amounted to $156,800 out of which $139,000 is for audit services and $17,800 is for non-audit services. As the percentage of fees for non-audit services is less than 50%, the AC has determined that the external auditors are independent.

In appointing the audit firms for the Company, its subsidiaries and significant associated companies, the Audit Committee and the Board are satisfied that the Group has complied with Listing Rules 712 and 715.

The AC has recommended to the Board, and the Board has accepted, the appointment of Ernst & Young LLP as the Group's external auditors in place of RSM Chio Lim LLP for the current financial year ending 31 December 2017. There are no unresolved differences in opinion on material matters between RSM Chio Lim LLP and the Company or the Group, including matters which would have a material impact on the Group or its financial reporting for the financial year ended 31 December 2016. The proposed change in auditors from RSM Chio Lim LLP to Ernst & Young LLP will be tabled in the forthcoming AGM of the Company, and further information thereto is set out in the Appendix enclosed together with the Annual Report.

The AC members takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements through periodic meetings with the external auditors, briefings provided by professionals or external consultants as necessary.

Summary of AC's activities in 2016

(i) reviewed the financial statements of the Company before the announcement of the Company's quarterly and full-year results;

(ii) together with the Co-Chairman, Group CEO / Managing Director, Chief Operating Officer, Senior Group Financial Controller and where applicable, the external auditors, reviewed the key areas of Management's judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a material impact on the financials;

(iii) reviewed and approved both the Group internal auditor's and external auditor's plans to ensure that the plans covered sufficiently in terms of audit scope in reviewing the significant internal controls comprising financial, operational, information technology and compliance controls of the Company;

(iv) reviewed the independence and objectivity of the internal and external auditors through discussions with the internal and external auditors;

(v) reviewed non-audit fees;

(vi) reviewed the appointment of a different auditor for its subsidiaries;

(vii) reviewed the accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group;

(viii) reviewed the internal audit functions and discussed accounting implications of major transactions including significant financial reporting issues; and

(ix) reviewed interested party transactions.

Financial Reporting Matters

In the review of the financial statements, the AC has discussed with management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with management and the external auditor and were reviewed by the AC:

Matters considered	**Action**
1) Valuation of Inventory – $43 million (27% of Group's total assets)	The Audit Committee reviewed the methodology and assumptions used by the management in the valuation of inventory and determination of provision for inventory obsolescence. The external auditors shared with the Audit Committee on their work performed, including their assessment on the appropriateness of management's judgments applied in calculating the value of inventory provisions and the accuracy of such provision. The Audit Committee was satisfied with the appropriateness of key assumptions and methodology adopted by the Group and that the relevant disclosures in the financial statements were appropriate.
2) Impairment of intangible assets – $6.2 million	The judgment in relation to the impairment of intangible assets, including goodwill relates primarily to the assumptions underlying the calculation of the value in use of the cash generating units (CGUs), being the achievability of the long-term business plan and the macroeconomics and related modeling assumptions underlying the valuation process. The Audit Committee obtained assurance from management that detailed impairment testing had been undertaken using appropriate methodology and assumptions. The Audit Committee also obtained report from the external auditors detailing their assessment on the methodology and assumptions adopted by management, including sensitivity testing on the determination of the recoverable amount of the goodwill. The Audit Committee was satisfied with the appropriateness of the methodology and assumptions used and the disclosures in the financial statements of the Group.

INTERNAL AUDIT

Principle 13

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The internal audit function of the Company is outsourced to an external consulting firm, who has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The AC approves the hiring, removal, evaluation and compensation of the consulting firm. Based on risk assessments performed, greater emphasis and appropriate internal reviews are planned for high risk areas and material internal controls, including compliance with the Group's policies, procedures and regulatory responsibilities. The internal audit plans are reviewed and approved by the AC annually.

The Internal Audit methodology adopted by our internal auditors is consistent with the requirements of The Institute of Internal Auditors.

The AC is satisfied that the internal audit function is adequately resourced and is independent of the activities it audits.

SHAREHOLDER RIGHTS

Principle 14
Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Best World believes in treating all Shareholders fairly and equitably. It aims to keep all Shareholders and other stakeholders informed of its corporate activities, including changes which are likely to materially affect the price or value of its shares, on a timely and consistent manner.

Shareholders are also given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing such meetings are clearly communicated to attendees.

Any notice of a general meeting of shareholders is issued at least 14 days before the scheduled date of such meeting. The Company's AoA also allow any shareholder to appoint proxies during his absence, to attend and vote on his behalf at the general meetings.

Best World allows relevant intermediaries such as the Central Provident Fund Board or corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such bodies can attend and participate in general meetings as proxies.

COMMUNICATION WITH SHAREHOLDERS

Principle 15
Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company endeavors to communicate regularly, effectively and fairly with its shareholders.

The Company communicates information to its shareholders on a timely basis through:

a) Disclosures to SGXNET and press releases on major developments of the Group;
b) The Group's website at www.bestworld.com.sg from which shareholders can access. The website provides all publicly disclosed financial information, corporate announcements, press releases and the annual report;
c) Annual reports which are prepared and issued to all shareholders;
d) Share investor online portal which provides the Company's share updates and all publicly disclosed information;
e) Share investor forum that publishes updated investors' relations information; and
f) Analyst briefs organized for analyst and investors.

In addition, the Company communicates regularly with investors and analysts via half yearly results briefing as well as via ad-hoc meetings and teleconferences in office.

Through its dividend policy, Management has also committed to distribute at least 30% of the company's annual profit to shareholders in the form of dividends and / or bonus securities each year.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders. All who wish to attend the AGM are welcome and are not restricted by the two-proxy rule. The Board encourages active Shareholder participation and practices an open question and answer session at which shareholders may raise questions or share their views regarding the proposed resolutions and the Company's businesses and affairs. The chairman of the respective Board Committees and key management personnel are invited to attend the AGM and are present and available to address questions at general meetings. In addition, the external auditors of the Company are also present to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report.

Each item of special business included in the notice of the meeting will be accompanied by an explanation of the effects of a proposed resolution. Unless the resolutions proposed at a meeting are interdependent and linked so as to form one significant proposal, separate resolutions shall be proposed for substantially separate issues at the meeting.

Minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management will be prepared and made available to shareholders upon their request.

Resolutions are, as far as possible, structured separately and may be voted on independently. All polls are conducted in the presence of independent scrutineers.

For greater transparency and fairness in the voting process, voting at shareholders' meetings were conducted by poll since 2013. This allows all shareholders present or represented at the meetings to vote on a one-share-one vote basis. Results are announced in detail, showing the number of votes cast for and against each resolution and the respective percentages. Electronic polling is not used due to the small turnout at AGM.

DEALING IN SECURITIES

The Company has adopted the requirements in SGX-ST's Rule 1207(19) applicable to dealings in the Company's securities by its directors, Management and officers. Directors, Management and officers of the Group who have access to price-sensitive, financial or confidential information are prohibited to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements.

Directors, Management and officers of the Group are also advised to observe insider trading laws at all times even when dealing in the Company's securities within the permitted trading period. In addition, the directors, Management and officers of the Group are discouraged from dealing in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS POLICY

The Company has adopted an internal policy governing procedures for the identification, approval and monitoring of transactions with interested persons. All interested person transactions ("IPT") are subject to review by the AC every quarter to ensure that the relevant rules in Chapter 9 of the Listing Manual of SGX-ST are complied with.

Currently, the Company is not required to have a general mandate from its shareholders in relation to IPT as the aggregate value of IPT transactions is below the threshold level as set out in the Listing Manual of the SGX-ST.

For the financial year ended 31 December 2016, there were no interested person transactions exceeding $100,000 in aggregate for the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920).

MATERIAL CONTRACTS

Save for the Service Agreements entered into with Dr Dora Hoan Beng Mui, Dr Doreen Tan Nee Moi and Mr Huang Ban Chin, which are still subsisting as at the end of FY2016, there are no material contracts involving the interests of the CEO, the directors or controlling shareholders entered into by the Group which are still subsisting as at the end of the financial year or entered into during the financial year.

Guideline	Questions	How has the Company complied?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	No. Deviations shall be stated alongside each guideline of the Disclosure Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	It allows partial transparency as well as other objectives to be met, such as minimizing the risk of staff poaching, dissatisfaction amongst staff and cost effectiveness for shareholders.
Board Responsibility		
Guideline 1.5	What are the types of transactions which require approval from the Board?	The Company has formulated guidelines setting forth matters reserved for the Board's decision. The Management of the Company (the "Management") was also given clear directions on matters, including financial authorization and approval limits for operational matters and capital expenditure. The Board approves transactions exceeding certain threshold limits and while delegating authority for transactions below these limits to Management so as to facilitate operational efficiency. The Board continues to approve matters which, under the Singapore Companies Act, Chapter 50 and SGX-ST Listing Manual require Board approval. Specifically, the Board has the responsibility to approve the following: • Joint ventures, mergers and acquisitions • Appointment of directors and key management staff of Best World International Limited • Acquisition and disposal of non-routine assets, investments and treasury products exceeding $500,000 • Declaration of interim dividends by Best World International Limited
Members of the Board		
Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	The Board requires a mix of expertise and experience in areas such as accounting and finance, business management experience, industry knowledge, legal expertise, strategic planning experience and customer based experience and knowledge.
	(b) Please state whether the current composition of the Board provides diversity on each of the following - skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	See table below.

Category	Percentage
Accounting and Finance	83.3%
Business Management	100%
Industry and Company Knowledge	100%
Legal	16%
Strategic planning	83.3%
Customer-based experience and knowledge	66%
Gender	Male 66.6% Female 33.3%

	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	The NC reviews the size of the Board on an annual basis. Based on the latest review, there was general agreement that the present Board size is appropriate and facilitates effective decision making, taking into account the nature and current scope of the Company's operations, the requirements of the business of the Company and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Board and NC are also of the view that the current Board has the appropriate mix of expertise and experience in areas such as accounting and finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge. Together, the Board members possess a balanced field of core competencies to lead the Company.
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) reelecting incumbent directors.	In the selection process for the appointment of new directors, the NC reviews the composition of the Board and identifies the skill sets which will enhance the Board's overall effectiveness. Potential candidates are identified from various sources. Thereafter, the NC conducts an initial assessment to review a candidate's qualifications, attributes and past experience followed by interviewing short-listed candidates. The proposed candidates' independence, expertise, background and skills sets will be considered before the NC makes its recommendations to the Board. On the recent appointment of a new independent non-executive director, the Board sought for a candidate with extensive operating experience in China to advise on the expansion of the Group's operations. Mr Chan Soo Sen stood out based on his vast experiences on working with the Chinese, his strong network and in-depth knowledge about the culture and operating environment in China. The NC considers the results of the assessment on the effectiveness of the individual director, his attendance and participation at the Board and Board Committee Meetings, before recommending whether to reelect retiring directors.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why.	Aside from the orientation program, new directors are given training only if required because the directors hired are usually experienced.

	(b)	What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	Board members are encouraged to attend seminars at least annually and receive training to improve themselves in the discharge of their duties as directors. The Company works closely with professionals to provide its directors with updates on changes to relevant laws, regulations and accounting standards. Our independent directors are also engaged full time in their respective profession, keeping them updated in their fields of knowledge.

Training program	Participants
Corporate Positioning and Value Creation Program	Dr Dora Hoan
Shape Your Legacy. Explore New Frontiers.	Dr Dora Hoan
26th Meeting of the ASEAN Traditional Medicines and Health Supplements Product Working Group (TMHS PWG)	Dr Doreen Tan
ASEAN Advanced E-Commerce Seminar	Huang Ban Chin
Currency, Employment and Property Outlook Seminar	Huang Ban Chin
Business Model Generation Workshop	Huang Ban Chin

Guideline 4.4	(a)	What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	Maximum of 6 board representations. The number of board representations is an estimate, based on the NC's experience on how many representations can a director take and still give sufficient time and attention to the affairs of a Company and adequately carry out his duties as a director of the Company.
	(b)	If a maximum number has not been determined, what are the reasons?	NA
	(c)	What are the specific considerations in deciding on the capacity of directors?	Past working experience with the director and existing commitments of the director are considered to decide the capacity of the director.

Board Evaluation

Guideline 5.1	(a)	What was the process upon which the Board reached the conclusion on its performance for the financial year?	The Board has, through the NC, implemented an annual evaluation process via the use of evaluation forms to assess the effectiveness of the Board and the Board Committees as a whole and the contributions by each individual director. The NC is also responsible for deciding how the Board's performance may be evaluated and considers practical methods to assess the effectiveness of the Board and its Board Committees.

		The evaluation of Board's performance as a whole deals with matters on Board composition, information to the Board, Board procedures, Board accountability, the Board's preparedness to deal with problems and crisis, the functioning of the Board Committees, CEO / Top Management and standards of conduct. The criteria for the evaluation of individual director include amongst others, attendance at meetings, directors' duties, their contribution to the testing and development of strategy and to risk management, know-how and interaction with fellow directors, senior management, shareholder and auditors. The completed forms are returned to the Company for compilation of the average scores. The compiled results are then tabulated and presented at the NC Meeting for the NC's review. The Chairman of the NC will then present the deliberations of the NC to the Board. The annual evaluation exercise provides an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes had allowed him to discharge his duties effectively and to propose changes which may be made to enhance the Board effectiveness as a whole as well as the efficiency and effectiveness of the Board Committees in assisting the Board. No external facilitators were used in the assessment of the Board as a whole, its Board Committees and the individual directors.
	(b) Has the Board met its performance objectives?	Yes. The results of the overall performance of the Board pointed towards consistently good ranking in most areas and trending towards outstanding performance. Each director has contributed positively to the effective functioning of the Board and Board Committees. In addition, the NC is also satisfied that sufficient time and attention has been given by the directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations.

Independence of Directors

Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Yes.
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	No.

	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	NA
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	Mr Lee Sen Choon and Mr Ravindran Ramasamy have served as directors beyond nine years from the date of their first appointment. The following were some of the factors considered in reviewing the independence of the director who has served beyond nine years: (a) whether the director is free from any dealings, relationships or circumstances that could affect or appear to affect his independent judgement, particularly with regards to whether the director has indicated or demonstrated an alignment or ongoing support for any specific group of stakeholders, instead of representing the interests of all stakeholders; (b) whether the length of service has had any adverse impact on the director's objectivity and judgement and whether during the tenure there has been any impairment to his ability to discharge his duties and responsibilities in the overall interest of the Group, taking into consideration the interests of all stakeholders; and (c) whether the director continues to exhibit a firm commitment to his role and continues to actively contribute with the knowledge and experience of the Group's business built up over the years. The Board has determined that the long serving directors remained independent in character and judgment and there were no relationships or circumstances which were likely to affect, or appear to affect, the directors' judgment. The independent directors continue to be committed to carry out their roles and responsibilities, ensuring that the strategies proposed by the Management are constructively challenged, fully discussed and examined, taking into account the long term interests of the Company's stakeholders which include shareholders, employees, customers and suppliers.
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long term incentives? If not, what are the reasons for not disclosing so?	Yes, the CEO and executive directors' remuneration are disclosed in percentage terms. The independent directors' remuneration are disclosed in dollar terms.

Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	Yes.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	Mr Hoan Beng Hua, brother of Dr Dora Hoan Beng Mui (Co-Chairman, Group CEO / Managing Director) is employed by Best World International Limited as a Senior Production Supervisor. His salary range is between $100,000 to $150,000. Mr Joseph Tan Sing Keng, brother of Dr Doreen Tan Nee Moi (Co-Chairman, President) is employed by Best World International Limited as a Warehouse Assistant. His salary range is between $50,000 to $100,000.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	Executive directors have service agreements with the company that are renewed every three years. In addition to the basic salary component and benefits-in-kind, the executive directors' remuneration is linked to performance via a tiered incentive bonus based on profit before tax. The Remuneration Committee reviews the audited group financial results against the targets achieved before approving the distribution of the annual incentive bonus.
	(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?	Key management remuneration comprise basic salary and a variable bonus which is based on individual and Group performance as a whole for that year. Key performance indicators that determine performance are different for each key management personnel. Short term rewards are bonuses based on individual key performance indicators and company performance as a whole such as profit before tax for the year. Long Term Incentive Scheme The Company has a performance share scheme known as the BWI Performance Share Scheme (the "Scheme") which is administered by the Remuneration Committee. There were no share awards granted during the financial year under the Scheme. No new shares have been issued during the financial year by virtue of the grant of share awards under the Scheme.

		The Circular to Shareholders dated 8 April 2009 containing the details of the Scheme is available to shareholders upon their request.
	(c) Were all of these performance conditions met? If not, what were the reasons?	As mentioned in the policy for remuneration above, the bonus amounts declared are based on individual performance and company performance as a whole for FY 2016.

Risk Management and Internal Controls

Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	Board papers are furnished to the Board five days prior to any board meeting. This allows directors sufficient time to review and consider the matters to be discussed. The board papers include minutes of the previous meeting, reports relating to investment proposals, financial results announcements, financial analysis reports, risk reporting summary and reports from internal auditors, external auditors and Board Committees etc. However, sensitive matters may be tabled at the meeting itself or discussed without papers being distributed. Employees, who can provide additional insight into matters to be discussed, are also invited to be present during the relevant discussions. From time to time, the Board requests for additional information to be reported in the board papers in response to new regulations or to assist them in decision making.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	The internal audit function of the Company is outsourced to an external consulting firm.
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	The Board has instituted risk tolerance levels to guide Management in the course of operations and achieving its strategic objectives. These tolerance levels were drafted based on the top risks identified by the Enterprise Risk Management ("ERM") committee. Board approval is required for initiatives involving greater risk exposures that exceed the predetermined levels. The ERM committee, comprising the Executive Director and Chief Operating Officer – Mr Huang Ban Chin, department heads and chaired by the Lead Independent Director – Mr Lee Sen Choon assists the Board on risk management. The key components of the Company's risk management framework include: Risk assessment – Risks that the Company is exposed to are identified, assessed and updated in the risk register. The risks are rated and ranked according to the likelihood and its impact. Top risks are highlighted for extra emphasis.

Risks monitoring – Risks are monitored through internal audits, internal reviews, questionnaires circulated to subsidiary management and the control self-assessment ("CSA") programme.

Risk response & risk reporting – The ERM committee holds regular meetings to discuss risk issues, new initiatives and reports material findings uncovered from risk monitoring. These meetings are thoroughly minuted and form part of the Board papers presented to the Board. Key risks exposures and statuses are also compiled in a risk reporting summary and submitted for Board review.

The CSA programme established since 2011 provides a framework to obtain feedback on the state of internal controls. The programme requires subsidiaries to review and report biannually on the effectiveness of controls and the control environment to HQ and significant findings are reported to the Board. Periodically, internal audit and independent reviews would be conducted to validate the self-assessments.

The Company has in place a whistle-blowing policy to empower employees with avenues to report suspected fraud, corruption, dishonest practices and other acts of misconduct. The Company will follow up on all reports and treat all information received confidentially to protect the identity (if available) and the interest of all whistle-blowers. For incidents of severe nature, the AC will be informed and an independent team reporting directly to the AC will be established accordingly. For incidents with less severity, the ERM committee comprising of the heads of various departments will oversee the matter raised. There has been no reported incident pertaining to whistle-blowing for FY2016.

(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?

Yes.

Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	Total fees amounted to $156,800 out of which $139,000 is for audit services and $17,800 is for non-audit services.
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	NA
Communication with Shareholders		
Guideline 15.4	(a) Does the company regularly communicate with the shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Yes. The Company communicates regularly with shareholders, investors and analysts via half yearly results briefing as well as via ad-hoc meetings, teleconferences and emails.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The COO, the Senior Group Financial Controller and the Investor Relations & Financial Analyst.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	a) Share investor forum that publishes updated investors' relations information; and b) Analyst briefs organized for analyst and investors. c) Share investor online portal which provides the Company's share updates and all publicly disclosed information;
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	NA

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 December 2016.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and

(b) at the date of the statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the company in office at the date of this statement are:

Dr Dora Hoan Beng Mui
Dr Doreen Tan Nee Moi
Mr Huang Ban Chin
Mr Lee Sen Choon
Mr Ravindran Ramasamy
Mr Chan Soo Sen

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year were not interested in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

	Held in the name of directors		Deemed interest	
Name of directors and companies in which interests are held	**At beginning of the reporting year**	**At end of the reporting year[a]**	**At beginning of the reporting year**	**At end of the reporting year [a]**
Best World International Limited	**Number of shares of no par value**			
Dr Dora Hoan Beng Mui	12,352,000	15,440,000	77,215,000	96,518,750
Dr Doreen Tan Nee Moi	12,352,000	15,440,000	77,215,000	96,518,750
Mr Huang Ban Chin	9,200,000	11,500,000	–	–
Mr Lee Sen Choon	75,000	93,750	–	–

(a) Adjusted for one-for-four bonus share issue in 2016.

By virtue of section 7 of the Act, Dr Dora Hoan Beng Mui and Dr Doreen Tan Nee Moi are deemed to have an interest in all the related body corporate of the company.

The directors' interests as at 21 January 2017 were the same as those at the end of the reporting year.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

5. Options

At an Extraordinary General Meeting held on 8 April 2009, shareholders approved the Best World International Performance Share Scheme (the "Scheme") for granting of ordinary shares of the company to directors, non-executive directors and senior executives. The Scheme is administered by the Remuneration Committee. Since the commencement of the Scheme till the end of the financial year, no share awards are granted and no new shares are issued under the grant of share awards under the Scheme.

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Mr Lee Sen Choon	(Chairman of Audit Committee and Lead Independent Director)
Mr Ravindran Ramasamy	(Independent Director)
Mr Chan Soo Sen	(Independent Director)

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan;
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them;
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational, compliance and information technology controls and risk management systems) and the assistance given by the management to the internal auditor;
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

7. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the group, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that group's internal controls, addressing financial, operational, compliance and information technology controls and risk management systems are adequate and effective as at the end of the reporting year 31 December 2016.

8. Subsequent developments

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 22 February 2017, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On Behalf of the Directors

Dora Hoan Beng Mui
Director

Doreen Tan Nee Moi
Director

24 March 2017

To the Members of
BEST WORLD INTERNATIONAL LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Best World International Limited, (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a) Valuation of inventory

Please refer to notes 2A and 2C to the financial statements for the relevant accounting policy and key estimates used in the valuation of inventories, respectively. Also refer to the annual report on the section on the audit committee's views and responses to the reported key audit matter.

Inventories amounted to $43.0 million, representing 27% of the group's total assets as at 31 December 2016. Management determines provision of inventory obsolescence by taking into consideration various factors, including future demands and anticipated selling prices. Assessing the valuation of inventory is an area of significant judgement due to the judgements taken regarding obsolescence and net realisable value provisions.

We have considered the appropriateness of management's judgements applied in calculating the value of inventory provisions, taking into consideration historical information and industry benchmark. We verified the mechanical accuracy of the provision by reviewing the calculation criteria and recalculating them to verify that they are in line with the group policy. We have also reviewed the aging of the inventory items and compare selected inventory's carrying value to recent sales transactions.

b) Impairment of intangible assets

Please refer to notes 2A and 2C for the relevant accounting policies and discussion of significant accounting estimates on goodwill and intangible assets and note 17 Intangible assets for the key assumptions used in impairment testing of intangible assets and goodwill. Also refer to the annual report on the section on the audit committee's views and responses to the reported key audit matter.

The group had intangible assets of $6.2 million, including goodwill arising from the acquisition of subsidiaries, product licenses, production permits, production formulas and customer relationship. These are allocated to certain cash-generating units ("CGUs") as at 31 December 2016. These CGUs are tested for impairment. Management applies the value-in-use method to determine the recoverable amount of each CGU. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses.

The recoverable amounts are determined based on estimates of forecasted revenues, growth rates, profit margins, tax rates and discount rates. These estimates require judgement and the determination of the recoverable amounts is a key focus area for our audit.

We discussed with management the process over the determination of estimates for forecasted revenues, growth rates, profit margins, tax rates and discount rates. As the assessment process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions, our audit procedures included, among others, using a valuation expert to assist us in evaluating the assumptions and methodologies used by the group. We assessed management's estimates applied in the value-in-use models based on our knowledge of the CGUs' operations, and compared them against historical forecasts and performance and industry benchmarks.

We also assessed the adequacy of the group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of intangible assets and goodwill.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report and statement by directors but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Mong Sheong.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

24 March 2017

Engagement partner - effective from year ended 31 December 2012

Year Ended 31 December 2016

	Notes	2016 $'000	2015 $'000
Revenue	5	200,764	101,672
Cost of sales		(53,797)	(24,805)
Gross profit		146,967	76,867
Interest income		335	311
Other operating income	6	3,712	2,742
Other gains	7	4,677	1,732
Distribution costs	8	(66,358)	(36,386)
Administrative expenses	8	(35,883)	(26,916)
Other losses	7	(2,461)	(1,304)
Finance costs	9	(59)	(54)
Profit before tax from continuing operations		50,930	16,992
Income tax expense	12	(16,525)	(7,691)
Profit from continuing operations, net of tax		34,405	9,301
Profit (loss) net of tax attributable to:			
- Owners of the parent company		34,569	10,104
- Non-controlling interests		(164)	(803)
Profit net of tax		34,405	9,301
Earnings per share			
Earnings per share currency unit	13	Cents	Cents
– Basic		12.56	3.67 [a]
– Diluted		12.56	3.67 [a]

(a) Restated for one-for-four bonus share issue in 2016.

The accompanying notes form an integral part of these financial statements.

Year Ended 31 December 2016

	Notes	2016 $'000	2015 $'000
Profit net of tax		34,405	9,301
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Exchange gains (losses) on translating foreign operations, net of tax		2	(571)
Other comprehensive income (loss) for the year, net of tax		2	(571)
Total comprehensive income		34,407	8,730
Total comprehensive income (loss) attributable to:			
- Owners of the parent company		34,616	9,597
- Non-controlling interests		(209)	(867)
Total comprehensive income		34,407	8,730

The accompanying notes form an integral part of these financial statements.

As at 31 December 2016

		Group		Company	
	Notes	2016 $'000	2015 $'000	2016 $'000	2015 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	15	16,765	6,847	2,788	3,531
Investment property	16	1,182	1,200	–	–
Intangible assets	17	6,216	7,018	14	41
Investments in subsidiaries	18	–	–	3,293	4,021
Deferred tax assets	12	582	749	–	–
Other receivables, non-current	19	–	–	16,295	16,295
Other financial assets, non-current	20	2,034	1,990	2,034	1,990
Total non-current assets		26,779	17,804	24,424	25,878
Current assets					
Inventories	21	42,953	11,515	24,569	8,309
Trade and other receivables, current	22	23,430	10,587	45,749	12,876
Other assets, current	23	12,089	7,250	9,184	4,445
Cash and cash equivalents	24	54,933	47,247	23,310	12,609
Total current assets		133,405	76,599	102,812	38,239
Total assets		160,184	94,403	127,236	64,117
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	25	20,169	20,169	20,169	20,169
Retained earnings		68,855	42,015	73,905	30,362
Other reserve		1,563	1,516	–	–
Equity, attributable to owners of the parent		90,587	63,700	94,074	50,531
Non-controlling interests		(1,924)	(1,715)	–	–
Total equity		88,663	61,985	94,074	50,531
Non-current liabilities					
Deferred tax liabilities	12	2,826	2,310	429	429
Other financial liabilities, non-current	27	4,723	11	–	–
Total non-current liabilities		7,549	2,321	429	429
Current liabilities					
Income tax payable		16,485	4,624	11,626	2,313
Trade and other payables, current	26	43,888	24,505	20,225	9,962
Other financial liabilities, current	27	2,638	7	–	–
Other liabilities, current	28	961	961	882	882
Total current liabilities		63,972	30,097	32,733	13,157
Total liabilities		71,521	32,418	33,162	13,586
Total equity and liabilities		160,184	94,403	127,236	64,117

The accompanying notes form an integral part of these financial statements.

Year Ended 31 December 2016

Group	Total equity $'000	Attributable to parent sub-total $'000	Share capital $'000	Treasury shares $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Non-controlling interests $'000
Current year:							
Opening balance at 1 January 2016	61,985	63,700	20,618	(449)	42,015	1,516	(1,715)
Movements in equity:							
Total comprehensive income (loss) for the year	34,407	34,616	–	–	34,569	47	(209)
Dividends paid (Note 14)	(7,707)	(7,707)	–	–	(7,707)	–	–
Bonus share issue expenses	(22)	(22)	–	–	(22)	–	–
Closing balance at 31 December 2016	88,663	90,587	20,618	(449)	68,855	1,563	(1,924)
Previous year:							
Opening balance at 1 January 2015	55,457	56,305	20,618	(449)	34,113	2,023	(848)
Movements in equity:							
Total comprehensive income (loss) for the year	8,730	9,597	–	–	10,104	(507)	(867)
Dividends paid (Note 14)	(2,202)	(2,202)	–	–	(2,202)	–	–
Closing balance at 31 December 2015	61,985	63,700	20,618	(449)	42,015	1,516	(1,715)

The accompanying notes form an integral part of these financial statements.

Year Ended 31 December 2016

Company	Total equity $'000	Share capital $'000	Treasury shares $'000	Retained earnings $'000
Current year:				
Opening balance at 1 January 2016	50,531	20,618	(449)	30,362
Movements in equity:				
Total comprehensive income for the year	51,272	–	–	51,272
Dividends paid (Note 14)	(7,707)	–	–	(7,707)
Bonus share issue expenses	(22)	–	–	(22)
Closing balance at 31 December 2016	94,074	20,618	(449)	73,905
Previous year:				
Opening balance at 1 January 2015	44,881	20,618	(449)	24,712
Movements in equity:				
Total comprehensive income for the year	7,852	–	–	7,852
Dividends paid (Note 14)	(2,202)	–	–	(2,202)
Closing balance at 31 December 2015	50,531	20,618	(449)	30,362

The accompanying notes form an integral part of these financial statements.

Year Ended 31 December 2016

	Group	
	2016 $'000	**2015 $'000**
Cash flows from operating activities:		
Profit before tax	50,930	16,992
Adjustments for:		
Interest income	(335)	(311)
Interest expenses	59	54
Depreciation of property, plant and equipment	1,771	1,747
Depreciation of investment property	18	18
Amortisation of intangible assets	958	1,018
(Gain) loss on disposal of plant and equipment	(1)	7
Impairment allowance on intangibles	307	–
Goodwill written off	–	27
Fair value gain on contingent consideration for acquisition of subsidiary	–	(954)
Net effect of exchange rate changes in consolidating foreign subsidiaries	293	(382)
Operating cash flows before changes in working capital	54,000	18,216
Inventories	(31,438)	(3,762)
Trade and other receivables	(12,843)	(1,362)
Other assets	(4,839)	(1,025)
Trade and other payables	19,383	6,458
Net cash flows from operations before tax	24,263	18,525
Income tax paid	(4,203)	(1,428)
Net cash flows from operating activities	20,060	17,097
Cash flows from investing activities:		
Purchase of property, plant and equipment (Notes 15 and 24B)	(11,750)	(1,155)
Disposal of property, plant and equipment	24	78
Purchase of intangible assets	(538)	(21)
Purchase of other financial assets	–	(1,731)
Interest received	335	311
Net cash flows used in investing activities	(11,929)	(2,518)
Cash flows from financing activities:		
Dividends paid to equity owners	(7,707)	(2,202)
Bonus share issue expenses	(22)	–
Proceeds from bank borrowings	8,000	–
Repayment of bank borrowings	(650)	(5,832)
Payment of finance lease liabilities	(7)	(219)
Interest paid	(59)	(54)
Decrease (increase) in cash restricted in use	223	(4,680)
Net cash flows used in financing activities	(222)	(12,987)
Net increase in cash and cash equivalents	7,909	1,592
Cash and cash equivalents, statement of cash flows, beginning balance	40,812	39,220
Cash and cash equivalents, statement of cash flows, ending balance (Note 24A)	48,721	40,812

The accompanying notes form an integral part of these financial statements.

31 December 2016

1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company (referred to as "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement of directors.

The principal activities of the company are those of investment holding and the distribution of nutritional supplement products, personal care products and healthcare equipment. It is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the subsidiaries are disclosed in Note 18 to the financial statements.

The registered office is: 26 Tai Seng Street #05-01 Singapore 534057. The company is situated in Singapore.

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be provided if the information resulting from that disclosure is not material. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes, returns and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are not significant transactions is recognised as the services are provided or when the significant acts have been completed. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest is recognised using the effective interest method. Royalty revenue is accrued in accordance with the terms of the relevant agreement unless, having regard to the substance of the agreement, it is more appropriate to recognise revenue based on some other systematic and rational basis.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Segment reporting

The group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Translation of financial statements of foreign entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Freehold land	-	Not depreciated
Leasehold properties	-	Over the terms of lease that are from 1.3% to 3.6%
Plant and equipment	-	8% to 33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Investment property

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes, the fair values are measured periodically on a systematic basis at least once in three years by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The annual rate of depreciation is over the remaining terms of lease that is 1.3%.

Leases

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Licenses	–	10 to 25 years
Trademarks	–	5 to 10 years
Customer relationship	–	5 years

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with FRS 103 (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this FRS 103.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Goodwill (cont'd)

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: These are non-derivative financial assets with fixed or determinable payments and fixed maturity that the entity has the positive intention and ability to hold to maturity. Financial assets that upon initial recognition are designated as at fair value through profit or loss or available-for-sale and those that meet the definition of loans and receivables are not classified in this category. These assets are carried at amortised costs using the effective interest method minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process. Impairment losses recognised in profit or loss are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. Non-current investments in bonds and debt securities are classified in this category.

4. Available-for-sale financial assets: As at end of the reporting year there were no financial asset classified in this category.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial liabilities (cont'd)

financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: As at end of the reporting year there were no liabilities classified in this category.

2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method.

Fair value measurement

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements categorise the inputs used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Treasury shares

Where the company reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the company's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's owners and no gain or loss is recognised in profit or loss.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for doubtful trade accounts:
An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 22 on trade and other receivables.

Net realisable value of inventories:
A review is made periodically on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories is disclosed in the Note 21 on inventories.

Useful lives of property, plant and equipment:
The estimates for the useful lives and related depreciation charges for property, plant and equipment is based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The useful life of newly purchased leasehold property during the year is dependent on, other than commercial factors, the company being able to obtain an extension of the lease, which expires in 2024, for another 30 years. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

could require a material adjustment to the carrying amount of the balances affected. The carrying amounts of the class of assets at the end of the reporting year affected by the assumption are $16,715,000 and $2,788,000 for the group and company respectively.

Assessment of impairment of goodwill:
An assessment is made annually whether goodwill has suffered any impairment loss. The assessment process is complex and highly judgemental and is based on assumptions that are affected by expected future market or economic conditions. Judgement is required in identifying the cash generating units ("CGU") and the use of estimates as disclosed in Note 17A. Actual outcomes could vary from these estimates as disclosed in Note 17A.

Impairment of intangible assets:
An assessment is made of the carrying value of identifiable intangible assets, annually, or more frequently if events or changes in circumstances indicate that such carrying value may not be recoverable. Factors that trigger an impairment review include underperformance relative to historical or projected future results, significant changes in the manner of the use of the acquired assets or the strategy for the overall business and significant negative industry or economic trends. The most significant variables in determining cash flows as disclosed in Note 17B are discount rates, the number of years on which to base the cash flow projections, as well as the assumptions and estimates used to determine the cash inflows and outflows. Amounts estimated could differ materially from what will actually occur in the future. The carrying amount of specific assets is disclosed in the Note 17 on intangible assets.

Finance and operating leases:
The leasehold property was acquired under a transfer of lease on 13 September 2016, with an option to extend the lease by 30 years. It is impracticable to obtain reliable estimates of the separate fair values of the land and buildings elements separately at inception. In making an evaluation judgement is used in determining lease classification into operating leases or finance leases. The land title does not pass at the end of the lease term. The rent paid to the landlord for the building is increased to market rent at regular intervals, and the group does not participate in the residual value of the building. As substantially all the risks and rewards of the building are with the landlord based on these qualitative factors it was judged that the entire lease is an operating lease. The related undiscounted amount of future operating lease payments at the end of the reporting year was $2,832,000.

Income taxes:
The group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The administration and enforcement of tax laws and regulations may be subject to uncertainty and a certain degree of discretion by the overseas tax authorities. Although the group believes the amounts recognised for income tax is adequate, these amounts may be insufficient based on the overseas tax authorities interpretation and application of these laws and regulations and the group may be required to pay more as a result (also see Note 29). It is impracticable to determine the extent of the possible effects of the above.

Deferred tax estimation:
The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in the Note 12 on income tax.

Estimated impairment of subsidiaries:
Where an investee is in net equity deficit and or has suffered losses a test is made whether the investment in the investee has suffered any impairment. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. The carrying amount of specific assets is disclosed in the Note 18 on investments in subsidiaries.

3. Related party relationships and transactions

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling parties are Dr Dora Hoan Beng Mui and Dr Doreen Tan Nee Moi.

3A. Members of a group:

Related companies in these financial statements include the members of the parent's group of companies.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3B. Related party transactions:

There are transactions and arrangements between the reporting entity and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed unless stated otherwise.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	Group	
	2016 $'000	**2015 $'000**
Related parties		
Sales of goods	(61)	(59)
Commission expenses	206	293
Consultancy fee expenses	26	48
Professional fee	6	–
Sales incentives	–	11
Travel allowance	–	3

The related parties include the close family members of the company's directors in which they do not have joint control or significant influence over the reporting entity.

3C. Key management compensation:

	Group	
	2016 $'000	**2015 $'000**
Salaries and other short-term employee benefits	11,247	6,581

3. Related party relationships and transactions (cont'd)

3C. Key management compensation (cont'd):

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2016 $'000	2015 $'000
Remuneration of directors of the company	8,142	4,061
Fees to directors of the company	150	126
Fees to a company in which a director has an interest	6	11

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel.

4. Financial information by segments

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported financial performance or financial position of the group.

For management purposes the group is organised into three major operating segments: direct selling, export sales and manufacturing/wholesale. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments are as follows:

(a) Direct selling segment mainly comprises sales to customers through direct selling channels in Singapore, Malaysia, Indonesia, Thailand, Taiwan, Hong Kong, Vietnam, Philippines, Korea and United Arab Emirates ("UAE");

(b) Export sales segment comprises sales to retail customers at export retail price through retailers in the People's Republic of China and Myanmar; and

(c) Manufacturing/wholesale segment comprises sales to customers through wholesale channel in the People's Republic of China.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances mainly based on a measure of earnings before depreciation, amortisation, interests and income taxes (called "Recurring EBITDA"). This measurement basis excludes the effect of expenditure from the operating segments such as goodwill impairment that are not expected to recur regularly in every reporting year.

The types of products include nutritional supplement products, personal care products and healthcare equipment. The information on each product and service, or each group of similar products and services is not available and the cost to develop it would be excessive.

4. Financial information by segments (cont'd)

4A. Information about reportable segment profit or loss, assets and liabilities (cont'd)

Segment results consist of costs directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment assets consist principally of plant and equipment, other intangible assets, inventories, trade receivables and cash and cash equivalents.

Segment liabilities consist principally of trade and other payables, other financial liabilities and other liabilities.

Unallocated items comprise leasehold property, investment property, other financial assets, other financial liabilities, goodwill, other assets, other receivables, income tax payable, deferred tax assets and deferred tax liabilities.

4B. Profit or loss from continuing operations and reconciliations

	Direct selling $'000	Export $'000	Manufacturing/ Wholesale $'000	Unallocated $'000	Group $'000
Continuing operations 2016					
Revenue by segment					
External sales and services	142,308	53,793	4,663	–	200,764
Recurring EBITDA	29,108	24,233	(45)	105	53,401
Interest income	117	71	147	–	335
Interest expenses	(11)	(6)	–	(42)	(59)
Depreciation	(1,173)	(339)	(148)	(129)	(1,789)
Amortisation	(69)	(12)	(877)	–	(958)
Profit (loss) before tax from continuing operations	27,972	23,947	(923)	(66)	50,930
Income tax expense					(16,525)
Profit from continuing operations					34,405

	Direct selling $'000	Export $'000	Manufacturing/ Wholesale $'000	Unallocated $'000	Group $'000
Continuing operations 2015					
Revenue by segment					
External sales and services	80,545	14,433	6,694	–	101,672
Recurring EBITDA	10,369	7,340	827	982	19,518
Interest income	87	39	185	–	311
Interest expenses	(36)	(18)	–	–	(54)
Depreciation	(1,244)	(286)	(217)	(18)	(1,765)
Amortisation	(89)	(20)	(909)	–	(1,018)
Profit (loss) before tax from continuing operations	9,087	7,055	(114)	964	16,992
Income tax expense					(7,691)
Profit from continuing operations					9,301

4. Financial information by segments (cont'd)

4C. Assets and reconciliations

	Direct selling $'000	Export $'000	Manufacturing/ Wholesale $'000	Unallocated $'000	Group $'000
2016					
Total assets for reportable segments	74,943	37,827	17,852	–	130,622
Unallocated:					
Deferred tax assets	–	–	–	582	582
Leasehold property	–	–	–	10,226	10,226
Investment property	–	–	–	1,182	1,182
Other financial assets	–	–	–	2,034	2,034
Other assets	–	–	–	12,089	12,089
Other unallocated amounts	–	–	–	3,449	3,449
Total group assets	74,943	37,827	17,852	29,562	160,184
2015					
Total assets for reportable segments	48,819	10,867	19,142	–	78,828
Unallocated:					
Deferred tax assets	–	–	–	749	749
Investment property	–	–	–	1,200	1,200
Other financial assets	–	–	–	1,990	1,990
Other assets	–	–	–	7,250	7,250
Other unallocated amounts	–	–	–	4,386	4,386
Total group assets	48,819	10,867	19,142	15,575	94,403

4D. Liabilities and reconciliations

	Direct selling $'000	Export $'000	Manufacturing/ Wholesale $'000	Unallocated $'000	Group $'000
2016					
Total liabilities for reportable segments	(34,716)	(8,352)	(1,792)	–	(44,860)
Unallocated:					
Other financial liabilities	–	–	–	(7,350)	(7,350)
Deferred tax liabilities	–	–	–	(2,826)	(2,826)
Income tax payable	–	–	–	(16,485)	(16,485)
Total group liabilities	(34,716)	(8,352)	(1,792)	(26,661)	(71,521)
2015					
Total liabilities for reportable segments	(20,339)	(3,752)	(1,393)	–	(25,484)
Unallocated:					
Deferred tax liabilities	–	–	–	(2,310)	(2,310)
Income tax payable	–	–	–	(4,624)	(4,624)
Total group liabilities	(20,339)	(3,752)	(1,393)	(6,934)	(32,418)

4. Financial information by segments (cont'd)

4E. Other material items and reconciliations

	Direct selling $'000	Export $'000	Manufacturing/ Wholesale $'000	Unallocated $'000	Group $'000
2016					
Additions to property, plant and equipment	1,162	46	205	10,337	11,750
Additions to intangible assets	20	2	516	–	538
2015					
Additions to property, plant and equipment	1,011	81	85	–	1,177
Additions to intangible assets	20	1	–	–	21

4F. Geographical information

The group's operations are located in Singapore, Taiwan, People's Republic of China, Indonesia, Philippines, Thailand, Malaysia, Hong Kong, Vietnam, Myanmar, Korea and UAE.

The following table provides an analysis of the group revenue by geographical markets, irrespective of the origin of the goods and services:-

	Revenue	
	2016 $'000	2015 $'000
Singapore	7,053	7,418
Taiwan	122,959	56,393
People's Republic of China	57,861	19,771
Indonesia	5,440	6,507
Philippines	604	2,841
Other countries [a]	6,847	8,742
Subtotal for all foreign countries	193,711	94,254
Total	200,764	101,672

(a) Other countries comprise mainly Thailand, Malaysia, Hong Kong, Vietnam, Myanmar, Korea and UAE.

4. Financial information by segments (cont'd)

4F. Geographical information (cont'd)

The following table provides an analysis of the non-current assets by geographical markets, irrespective of the origin of the goods and services:-

	Non-current assets	
	2016 $'000	2015 $'000
Singapore	14,414	5,116
People's Republic of China	6,765	7,528
Malaysia	1,022	1,079
Taiwan	1,595	760
Indonesia	166	187
Philippines	62	149
Other countries [b]	139	246
Subtotal for all foreign countries	9,749	9,949
Total	24,163	15,065

(b) Other countries comprise mainly Hong Kong, Korea, Vietnam and Thailand.

Revenues are attributed to countries on the basis of the customer's location. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets include property, plant and equipment, investment property, intangible assets and exclude any financial instruments and deferred tax assets.

4G. Information about major customers

	2016 $'000
Top 1 customer in export segment	52,998

There are no customers with revenue transactions of over 10% of the group revenue in reporting year 2015.

5. Revenue

	Group	
	2016 $'000	2015 $'000
Sale of goods	200,764	101,672

6. Other operating income

	Group	
	2016 $'000	**2015 $'000**
Service fee income	2,401	1,158
Royalty fee income	700	1,000
Rental income	105	55
Write back of payables	120	191
Miscellaneous income	386	338
	3,712	2,742

7. Other gains and (other losses)

	Group	
	2016 $'000	**2015 $'000**
Allowance for impairment on trade receivables	(1,865)	(265)
Allowance for impairment on other receivables	(44)	–
Fair value gain on contingent consideration for acquisition of subsidiary	–	954
Foreign exchange adjustment gains, net	4,676	778
Goodwill written off	–	(27)
Impairment allowance on intangibles (Note 17B)	(307)	–
Inventories written down	(245)	(1,005)
Gain (loss) on disposal of plant and equipment	1	(7)
Net	2,216	428
Presented in profit or loss as:		
Other gains	4,677	1,732
Other losses	(2,461)	(1,304)
Net	2,216	428

8. Other expenses

The major components and other selected components include the following:

	Group	
	2016 $'000	**2015 $'000**
Included in distribution costs		
Convention expense	6,236	2,119
Freelance commission	54,284	30,033
Included in administrative expenses		
Employee benefits expense (Note 10)	22,339	14,609
Rental of premises	3,415	3,057

9. Finance costs

	Group	
	2016 $'000	**2015 $'000**
Interest expenses on bank borrowings	57	48
Interest expenses on finance leases	2	6
Total finance costs	59	54

10. Employee benefits expense

	Group	
	2016 $'000	**2015 $'000**
Employee benefits expense including directors	21,174	13,645
Contribution to defined contribution plan	1,165	964
Total employee benefits expense included in administrative expenses	22,339	14,609

11. Items in profit or loss

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	Group	
	2016 $'000	**2015 $'000**
Audit fees to independent auditors of the company	139	123
Audit fees to the other independent auditors	106	110
Other fees to independent auditors of the company	18	13
Other fees to the other independent auditors	4	–

12. Income tax

12A. Components of tax expense (income) recognised in profit or loss include:

	Group	
	2016 $'000	**2015 $'000**
Current tax expense:		
Current tax expense	15,758	3,990
Under adjustments to current tax in respect of prior periods	77	4
Adjustment on Indonesia tax assessment on fiscal year 2008 (Note 29B)	–	3,418
Subtotal	15,835	7,412
Deferred tax expense:		
Deferred tax expense	690	279
Subtotal	690	279
Total income tax expense	16,525	7,691

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the parent is situated. The income tax in profit or loss varied from the income tax amount determined by applying the Singapore income tax rate of 17.0% (2015: 17.0%) to profit or loss before income tax as a result of the following differences:-

	Group	
	2016 $'000	**2015 $'000**
Profit before tax	50,930	16,992
Income tax expense at the above rate	8,658	2,889
Non-taxable items	(293)	(429)
Non-deductible items	2,446	1,261
Tax exemptions	(61)	(64)
Deferred tax assets not recognised	906	364
Under adjustments to tax in respect of prior periods	77	4
Adjustment on Indonesia tax assessment on fiscal year 2008	–	3,418
Effect of different tax rates in different countries	586	(433)
Amount in connection with interests in subsidiary	4,651	796
Effect of tax concessions and tax rebate	(453)	(101)
Other items less than 3% each	8	(14)
Total income tax expense	16,525	7,691

There are no income tax consequences of dividends to owners of the company.

12. Income tax (cont'd)

12B. Deferred tax expense recognised in profit or loss include:

	Group	
	2016 $'000	2015 $'000
Excess of net book value of plant and equipment over tax values	(7)	(34)
Unrealised exchange gains	7	–
Tax loss carryforwards	(732)	(718)
Deferred tax assets not recognised	906	364
Deferred tax assets recognised on fair value adjustments on acquisition of subsidiary	(135)	(129)
Deferred tax on unrealised profits on inventories arising from intra-group sale	(4,000)	–
Amount in connection with interests in subsidiary	4,651	796
Total deferred tax expense (income) recognised in profit or loss	690	279

12C. Deferred tax balance in the statements of financial position:

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Deferred tax (liabilities) assets recognised in profit or loss:				
Excess of net book value of plant and equipment over tax values	(433)	(440)	(429)	(429)
Tax loss carryforwards	2,798	2,066	–	–
Deferred tax assets not recognised	(2,216)	(1,310)	–	–
Deferred tax on unrealised profits on inventories arising from			–	–
intra-group sale	4,000	–	–	–
Amount in connection with interests in subsidiary	(5,447)	(796)	–	–
Subtotal	(1,298)	(480)	(429)	(429)
Deferred tax liabilities recognised directly in statements of financial position:				
Acquisition of subsidiary	(946)	(1,081)	–	–
Subtotal	(946)	(1,081)	–	–
Net total of deferred tax liabilities	(2,244)	(1,561)	(429)	(429)

Presented in the statements of financial position as follows:

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Deferred tax liabilities	(2,826)	(2,310)	(429)	(429)
Deferred tax assets	582	749	–	–
Net position	(2,244)	(1,561)	(429)	(429)

It is impracticable to estimate the amount expected to be settled or used within one year.

12. Income tax (cont'd)

12C. Deferred tax balance in the statements of financial position (cont'd):

The realisation of the future income tax benefits from tax loss carryforwards of $8,881,000 (2015: $5,727,000) is available for a period of 3 to 10 years (2015: 3 to 10 years). The above deferred tax assets for the tax losses that have not been recognised of $6,062,000 (2015: $2,727,000) are in respect of the remaining balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised. The other unrecognised deferred tax assets for the tax losses of $2,446,000 (2015: $2,533,000) may be carried forward indefinitely, subject to the conditions imposed by the law.

The aggregate amounts of temporary differences associated with investments in investees for which deferred tax liabilities have not been recognised were as follows. As explained in the accounting policy in Note 2A no liability has been recognised in respect of these differences:

	Group	
	2016 $'000	2015 $'000
Subsidiaries	239	1,498
Total deferred tax liabilities not recognised	239	1,498

13. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2016 $'000	2015 $'000
A. Numerator: earnings attributable to equity Continuing operations: attributable to equity holders	34,569	10,104
	2016 '000	2015 '000
B. Denominators: weighted average number of equity shares Ordinary shares as at 1 January (Note 25) Effect of bonus share issue	220,184 55,046	220,184 55,046
Ordinary shares at 31 December	275,230	275,230

The weighted average number of equity shares refers to shares in circulation during the reporting year. It is after the neutralisation of the treasury shares.

13. Earnings per share (cont'd)

The weighted average number of ordinary shares outstanding during the period and for all periods presented are adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented. The disclosures for last year have been revised accordingly. Because the bonus issue was without consideration, it is treated as if it had occurred before the beginning of 2015, the earliest period presented. This resulted in the following restatement of comparative information for the year ended 31 December 2015 as follows:

	Group	
	2015	
	Restated Cents	As previously reported Cents
Earnings per share		
Earnings per share currency unit		
- **Basic**	3.67	4.59
- **Diluted**	3.67	4.59

Basic earnings per share ratio is based on the weighted average number of ordinary shares outstanding during each period. The diluted amount per share is based on the weighted average number of ordinary shares and dilutive ordinary share equivalents outstanding during each reporting year. Both basic and diluted earnings per share are the same as there are no dilutive ordinary share equivalents outstanding during the reporting year.

14. Dividends on equity shares

	Group and Company	
	2016 $'000	2015 $'000
Final one-tier tax-exempt dividend paid in respect of previous financial year of 1.5 cents (2015: 0.5 cents) per share	3,303	1,101
Interim one-tier tax-exempt dividend paid in respect of current financial year of 2.0 cents (2015: 0.5 cents) per share	4,404	1,101
Total	7,707	2,202

In respect of the current year, the directors propose that a final one-tier tax-exempt dividend of 3.0 cents per share be paid to shareholders after the annual general meeting on 26 April 2017. This dividend is subject to approval by shareholders at the forthcoming annual general meeting and has not been included as a liability in these financial statements. The proposed dividend for 2016 is payable in respect of all ordinary shares in issue at the end of the reporting year and including the new shares, if any, issued up to the date the dividend becomes payable. There are no income tax consequences of the dividends to shareholders.

15. Property, plant and equipment

Group	Freehold land $'000	Leasehold properties $'000	Plant and equipment $'000	Total $'000
Cost:				
At 1 January 2015	58	760	14,049	14,867
Additions	–	–	1,177	1,177
Disposals	–	–	(1,273)	(1,273)
Foreign exchange adjustments	(8)	(98)	(88)	(194)
At 31 December 2015	50	662	13,865	14,577
Additions	–	10,337	1,413	11,750
Disposals	–	–	(272)	(272)
Foreign exchange adjustments	–	(13)	(44)	(57)
At 31 December 2016	50	10,986	14,962	25,998
Accumulated depreciation and impairment losses:				
At 1 January 2015	–	126	7,187	7,313
Depreciation for the year	–	11	1,736	1,747
Disposals	–	–	(1,188)	(1,188)
Foreign exchange adjustments	–	(17)	(125)	(142)
At 31 December 2015	–	120	7,610	7,730
Depreciation for the year	–	122	1,649	1,771
Disposals	–	–	(249)	(249)
Foreign exchange adjustments	–	(2)	(17)	(19)
At 31 December 2016	–	240	8,993	9,233
Carrying value:				
At 1 January 2015	58	634	6,862	7,554
At 31 December 2015	50	542	6,255	6,847
At 31 December 2016	50	10,746	5,969	16,765

15. Property, plant and equipment (cont'd)

Company	Plant and equipment $'000	Total $'000
Cost:		
At 1 January 2015	6,843	6,843
Additions	235	235
Disposals	(44)	(44)
At 31 December 2015	7,034	7,034
Additions	115	115
Disposals	(138)	(138)
At 31 December 2016	7,011	7,011
Accumulated depreciation and impairment losses:		
At 1 January 2015	2,722	2,722
Depreciation for the year	825	825
Disposals	(44)	(44)
At 31 December 2015	3,503	3,503
Depreciation for the year	857	857
Disposals	(137)	(137)
At 31 December 2016	4,223	4,223
Carrying value:		
At 1 January 2015	4,121	4,121
At 31 December 2015	3,531	3,531
At 31 December 2016	2,788	2,788

The depreciation expense is charged as administrative expenses in profit or loss.

Certain leasehold properties of subsidiaries at carrying value of $10,640,000 (2015: $428,000) are mortgaged to banks to secure banking facilities granted by the banks (Note 27A).

Plant and equipment with carrying value of $26,000 (2015: $28,000) were under finance lease arrangements. The obligations under finance leases are secured by the lessor's charge over the leased assets (Note 27B).

16. Investment property

Group	$'000
At cost:	
At 1 January 2015, 31 December 2015 and 31 December 2016	1,400
Accumulated depreciation:	
At 1 January 2015	182
Depreciation for the year	18
At 31 December 2015	200
Depreciation for the year	18
At 31 December 2016	218
Carrying value:	
At 31 December 2015	1,200
At 31 December 2016	1,182
Fair value:	
At 31 December 2015	2,600
At 31 December 2016	2,560

	Group	
	2016 $'000	2015 $'000
Rental income from investment property	105	55
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the reporting year	(10)	(10)

The depreciation expense is charged as administrative expenses in profit or loss.

The investment property is pledged as security for banking facilities (see Note 27A).

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

The investment property is leased out under operating leases. Also see Note 31 on operating lease income commitments. The management has not entered into contractual obligations for the maintenance or enhancement of the investment properties.

The fair value of the investment property was measured as at 31 December 2016 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by Savills Valuation and Professional Services (S) Pte. Ltd., a firm of independent professional valuers in December 2016. The firm holds a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the year.

Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

16. Investment property (cont'd)

For fair value measurements categorised within Level 2 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Asset:	One unit of leasehold property at Block 726 Ang Mo Kio Avenue 6 Singapore 560726.
Fair value: Fair value hierarchy – Level:	$2,560,000 (2015: $2,600,000). Level 2 (2015: Level 2).
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties.
Significant observable inputs and range (weighted average):	Price per square foot. $1,536 to $2,261 (2015: $1,756 to $2,323)
Relationship of unobservable inputs to fair value:	Not applicable.
Sensitivity on management's estimates 10% variation from estimate:	Impact – lower by $256,000 (2015: $260,000); higher by $256,000 (2015: $260,000).

There were no transfers between levels 2 and 3 during the year.

17. Intangible assets

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Goodwill (Note 17A)	1,016	1,016	–	–
Other intangible assets (Note 17B)	5,200	6,002	14	41
At end of the year	6,216	7,018	14	41

17A. Goodwill

	Group	
	2016 $'000	2015 $'000
Cost:		
Balance at beginning of the year	1,016	1,043
Goodwill written off	–	(27)
Balance at end of the year	1,016	1,016

17. Intangible assets (cont'd)

17A. Goodwill (cont'd)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the group's investment in each subsidiary as follows:-

	Group	
	2016 $'000	**2015 $'000**
Name of subsidiary:		
Best World (Zhejiang) Pharmaceutical Co., Ltd. ("BWZ")	686	686
Best World Lifestyle Sdn. Bhd. ("BWLSB")	324	324
BWL (Thailand) Company Limited ("BWLT")	6	6
Net book value at end of the year	1,016	1,016

The goodwill was tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs of disposal or its value in use. The recoverable amounts of cash-generating units have been measured based on the fair value less costs of disposal method or the value in use method as appropriate for the separate CGUs.

The quantitative information about the value in use measurement using significant unobservable inputs for the respective CGUs are analysed as follows:

Valuation technique and unobservable inputs	**BWZ**		**BWLSB**	
Discounted cash flow method:	**2016**	**2015**	**2016**	**2015**
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs.	16.40%	16.50%	17.85%	15.37%
Growth rates based on industry growth forecasts and not exceeding the average long-term growth rate for the relevant markets.	3%	3%	0%	0%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management.	5 years	5 years	5 years	5 years

Goodwill related to BWLT is not significant.

No impairment allowance was recognised because the carrying amount of all CGUs was lower than their recoverable amount. The value in use was measured by management.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash-generating unit are consistent with those used for the measurement last performed.

17. Intangible assets (cont'd)

17B. Other intangible assets

Group	Licenses [a] [b] $'000	Trade marks $'000	Customer relationship [b] $'000	Total $'000
Cost:				
At 1 January 2015	8,459	806	740	10,005
Additions	–	21	–	21
Disposals	(227)	–	–	(227)
Foreign exchange adjustments	157	13	–	170
At 31 December 2015	8,389	840	740	9,969
Additions	537	1	–	538
Foreign exchange adjustments	(167)	–	–	(167)
At 31 December 2016	8,759	841	740	10,340
Amortisation and impairment:				
At 1 January 2015	2,323	683	142	3,148
Amortisation for the year	790	74	154	1,018
Disposals	(227)	–	–	(227)
Foreign exchange adjustments	34	(6)	–	28
At 31 December 2015	2,920	751	296	3,967
Amortisation for the year	783	27	148	958
Impairment for the year (Note 7)	307	–	–	307
Foreign exchange adjustments	(92)	–	–	(92)
At 31 December 2016	3,918	778	444	5,140
Net book value:				
At 1 January 2015	6,136	123	598	6,857
At 31 December 2015	5,469	89	444	6,002
At 31 December 2016	4,841	63	296	5,200

17. Intangible assets (cont'd)

17B. Other intangible assets (cont'd)

Company	Trade marks $'000	Total $'000
Cost:		
At 1 January 2015	603	603
Additions	3	3
At 31 December 2015	606	606
Additions	4	4
At 31 December 2016	610	610
Amortisation and impairment:		
At 1 January 2015	507	507
Amortisation for the year	58	58
At 31 December 2015	565	565
Amortisation for the year	31	31
At 31 December 2016	596	596
Net book value:		
At 1 January 2015	96	96
At 31 December 2015	41	41
At 31 December 2016	14	14

The amortisation expense is charged as administrative expenses in profit or loss.

(a) The balance includes product licenses from Best World Lifestyle (Shanghai) Co., Ltd ("BWL Shanghai") with net book value of $253,000 (2015: $625,000) and details are as follows:

The company entered into an asset sale and purchase agreement dated 16 January 2004, as supplemented by Supplemental Agreement dated 16 February 2004 (the "Vigor Acquisition Agreement") with Chengdu Weige'er Stock Holding Co., Ltd ("CWSH") and Chengdu Tonglian Pharmaceutical Co., Ltd ("CTP") to acquire 20 product licences, inventories and all the trademarks in respect of the range of nutritional supplements sold and marketed in the People's Republic of China ("PRC") for the past 5 years under the brand "Vigor".

On 9 February 2004, Best World China Investments Pte. Ltd. ("BWC''), CWSH and CTP entered into an agreement to novate all the company's rights, interest and obligations under the Vigor Acquisition Agreement to BWC.

On 9 August 2005, BWC, BWL Shanghai, CWSH and CTP entered into an agreement to further novate BWC's rights, interest and obligations under Vigor Acquisition Agreement to BWL Shanghai.

BWL Shanghai completed the acquisition under the Vigor Acquisition Agreement during 2006 and acquired 16 product licenses from the vendor. Four product licenses and certain inventories stated in the agreement were not transferred to BWL Shanghai. The net consideration for the acquisition of the 16 product licenses amounted to RMB10.03 million ($2 million).

The useful lives of the product licenses are estimated to be 25 years. Amortisation of the product licenses commenced in 2008 when the products under the product licenses commenced trading. Impairment test is assessed. The recoverable amount was determined by management based on the estimated present value of the future cash flows attributable to the product licenses. The key assumptions used for the calculation are as follows:

17. Intangible assets (cont'd)

17B. Other intangible assets (cont'd)

	2016	2015
1. Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs	15.73%	15.20%
2. Growth rates for years are based on management's forecasts and the growth rates are as follows:		
- For the year 2016	–	20%
- For the year 2017 to 2018 *	78% – 211%	3%
- From year 2019 to 2033	0% – 3%	3%
3. Cash flow forecasts derived from the most recent financial budgets approved by management	17 years	18 years

* Increase in revenue expected in FY2017 and FY2018 as the group has obtained its direct selling license in China in November 2016.

The carrying value of the product licenses has been reduced to its recoverable amount through recognition of an impairment loss of $307,000 in year 2016.

(b) The balance includes 36 production permits, production formulas and customer relationship, with net book value of $4,374,000 (2015: $5,288,000), arising from acquisition of subsidiary, Best World (Zhejiang) Pharmaceutical Co., Ltd. ("BWZ") during the reporting year 2014.

The useful lives of the production permits and production formulas ranges from 10 to 15 years while the useful lives of the customer relationship is 5 years. Amortisation of the production permits and production formulas commenced when the products under the product licenses commenced trading. Impairment test is assessed. The recoverable amount was determined by management based on the estimated present value of the future cash flows attributable to the production permits, production formulas and customer relationship. The key assumptions used for the calculation are as follows:

	2016	2015
1. Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs	16.36%	15.20%
2. Growth rates for years are based on management's forecasts and the growth rates are as follows:		
- For the year 2016	–	2%
- For the year 2017	14%	3%
- For the year 2018	3%	3%
- For the year 2019	3%	3%
- From year 2020 to 2029	3%	3%
3. Cash flow forecasts derived from the most recent financial budgets approved by management		
- Production permits and production formulas	13 years	14 years
- Customer relationship	3 years	4 years

No impairment allowance was recognised because the carrying amount of all cash-generating units was lower than their recoverable amount.

18. Investments in subsidiaries

	Company	
	2016 $'000	2015 $'000
Movement during the year. At cost:		
Balance at beginning of the year	4,021	13,931
Acquisitions	37	649
Disposals	–	(10,560)
Less (allowance for) reversal of impairment	(765)	1
Cost at the end of the year	3,293	4,021
Total cost comprising:		
Unquoted equity shares at cost	11,046	11,009
Less allowance for impairment	(7,753)	(6,988)
Total at cost	3,293	4,021

	Company	
	2016 $'000	2015 $'000
Analysis of amounts denominated in non-functional currency:		
Malaysian ringgit	1,863	1,863
Indonesian rupiah	4,978	4,978
New Taiwan dollar	94	94
Hong Kong dollar	118	118
Korean Won	1,239	1,239
Philippines Peso	765	765
Vietnam Dong	649	649
Thai Baht	48	48
Emirati Dirham	37	–
Movements in allowance for impairment:		
Balance at beginning of the year	6,988	6,989
Impairment loss charged (reversed) to profit or loss included in other losses (other gains)	765	(1)
Balance at end of the year	7,753	6,988

18. Investments in subsidiaries (cont'd)

The subsidiaries held by the company and the group are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost in books of company		Effective percentage of equity held by group	
	2016 $'000	2015 $'000	2016 %	2015 %
Held by the company Best World Lifestyle Pte. Ltd. [a] Singapore Distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment	1,251	1,251	100	100
Avance Living Pte. Ltd. [a] Singapore Distribution of nutritional supplements, personal care products and healthcare equipment	4	4	100	100
Best World Lifestyle Sdn. Bhd. [c] Malaysia Import and distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment	1,863	1,863	77.5	77.5
PT Best World Indonesia [d] Indonesia Import and distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment	4,978	4,978	80	80
BWL (Thailand) Company Limited [b] [h] Thailand Import and distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment	48	48	49	49
Best World China Investments Pte. Ltd. [k] Singapore Investment holding company	–	*	–	100
Best World Lifestyle (HK) Company Limited [b] Hong Kong Distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment	118	118	100	100
Best World Lifestyle (Taiwan) Co., Ltd [b] Taiwan Distribution of health food, network services, sanitary products, skin care and cosmetic products	94	94	100	100
BWL Korea Co., Ltd [g] Korea Distribution of skin care, health food and equipment	1,239	1,239	100	100
PT BWL Indonesia [d] [i] Indonesia Distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment	–	–	80	80

18. Investments in subsidiaries (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost in books of company		Effective percentage of equity held by group	
	2016 $'000	2015 $'000	2016 %	2015 %
BWL Health & Sciences, Inc. [b] Philippines Selling and distribution, on wholesale basis of skin care, nutritional supplements and personal care products and health care supplement	765	765	100	100
Best World Vietnam Company Limited [b] [j] (Formerly known as Vista Link Company Limited) Vietnam Trading and distribution of skin care and health-related products	649	649	100	100
Best World (China) Health Sciences Company Limited [l] People's Republic of China Manufacture, distribution and development of beauty and skin care, cosmetic and personal health products	–	–	–	100
BWL General Trading LLC [g] [h] Dubai, The United Arab Emirates ("UAE") General trading including importing, trading and re-exporting of trade goods and products (Incorporated in January 2016)	37	–	49	–
Celcott Investments Pte. Ltd. [g] Singapore Investment holding (Incorporated in July 2016)	*	–	100	–
	11,046	11,009		
Held through Best World Lifestyle Pte. Ltd. Best World (Zhejiang) Pharmaceutical Co., Ltd. [e] People's Republic of China Development, manufacture and wholesale of its proprietary brand of dietary supplements			100	100
Held through Best World (Zhejiang) Pharmaceutical Co., Ltd. Best World Lifestyle (Shanghai) Co., Ltd [f] People's Republic of China Import and distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment. Has not commenced commercial operations			100	100

* Denotes amount less than $1,000.

(a) Audited by RSM Chio Lim LLP, a member of RSM International.

(b) Audited by member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

(c) Audited by Crowe Horwath Malaysia, a member of Crowe Horwath International.

(d) Audited by Tjahjadi & Tamara, a member of Morison International.

(e) Audited by SBA Stone Forest Shanghai Certified Public Accountants (Partnership), an affiliated firm of RSM Chio Lim LLP.

18. Investments in subsidiaries (cont'd)

(f) Audited by Hunan Zhongqiao Sanxiang Certified Public Accountants.

(g) Not audited as the financial result is not significant to the group.

(h) The group considers the entity as a subsidiary of the group as the group has management control over the entity through a shareholders' agreement.

(i) The entity is not owned by the group directly or indirectly through subsidiaries, but is consolidated as the group is able to have control over the entity's financial and operating policies by virtue of an agreement with the shareholders of the entity. The group has 80% effective control over the entity.

(j) In the reporting year 2015, the company acquired the entire equity in the entity for a consideration of VND5,000,000,000 (equivalent to $346,000) from Mr Su Chu Fa ("Mr Su"), the sole shareholder of the entity, by offsetting the outstanding loan amount due from Mr Su. Following the acquisition, the entity is a wholly-owned subsidiary of the company. Subsequent to the acquisition, the company further increased its shareholdings in the subsidiary by way of capitalization of the amount of $303,000 owing by the subsidiary.

(k) The entity ceased operations in reporting year 2015 and was de-registered in January 2016.

(l) The entity was incorporated in the reporting year 2012 and no capital has been injected since incorporation. The entity was de-registered in June 2016.

As is required by Rule 716 of the Listing Manual of The Singapore Exchange Securities Trading Limited the audit committee and the board of directors of the company have satisfied themselves that the appointment of different auditor for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the group.

19. Other receivables, non-current

	Company	
	2016 $'000	**2015 $'000**
Loan receivables from subsidiaries (Notes 3 and 18) [a]	16,295	16,295
Total	16,295	16,295
Movements in above allowance:		
Balance at beginning of the year	–	2,247
Used	–	(1,745)
Reversed for other receivables to profit or loss included in other gains	–	(502)
Balance at end of the year	–	–

(a) Loan receivables from subsidiaries of $16,295,000 (2015: $16,295,000) are unsecured, interest-free and quasi-equity in nature. They are not expected to be settled in the foreseeable future.

20. Other financial assets, non-current

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Balance is made up of:				
Held-to-maturity investment at amortised cost:	2,034	1,990	2,034	1,990
Movements during the year:				
Balance at beginning of the year	1,990	259	1,990	259
Additions	–	1,990	–	1,990
Foreign exchange adjustments	44	–	44	–
Disposals on maturity	–	(259)	–	(259)
Balance at end of the year	2,034	1,990	2,034	1,990

20A. Disclosures relating to investments

	Level	2016 $'000	2015 $'000	2016 %	2015 %
Group and Company					
Held-to-maturity investment at amortised cost:					
Quoted bonds in corporations with fixed interest rate at					
– 5.33% maturing on 16 April 2018 (effective rate: 4.73%, 2015: 4.73%), Sri Lanka	1	292	287	14.4	14.4
– 4.50% to 6.50% maturing between 3 May 2018 to 6 October 2019 (effective rate: 4.27% to 6.81%, 2015: 4.27% to 6.81%), Cayman Island	1	869	848	42.7	42.6
– 3.50% maturing on 21 April 2020 (effective rate: 3.75%, 2015: 3.75%), British Virgin Islands	1	287	280	14.1	14.1
– 4.50% to 4.85% maturing between 31 January 2020 to 5 February 2020 (effective rate: 4.00% to 4.44%, 2015: 4.00% to 4.44%), Singapore	1	586	575	28.8	28.9
Total		2,034	1,990	100.0	100.0

20B. Fair value of financial instruments stated at amortised cost in the statement of financial position

	2016 $'000	2015 $'000
Group and Company		
Held-to-maturity investment at amortised cost shown above are stated at cost. The fair values are:		
Quoted bonds in corporations with fixed interest rate at		
– 5.33% maturing on 16 April 2018 (effective rate: 4.73%, 2015: 4.73%), Sri Lanka	294	279
– 4.50% to 6.50% maturing between 3 May 2018 to 6 October 2019 (effective rate: 4.27% to 6.81%, 2015: 4.27% to 6.81%), Cayman Island	882	830
– 3.50% maturing on 21 April 2020 (effective rate: 3.75%, 2015: 3.75%), British Virgin Island	292	280
– 4.50% to 4.85% maturing between 31 January 2020 to 5 February 2020 (effective rate: 4.00% to 4.44%, 2015: 4.00% to 4.44%), Singapore	595	564
Fair value at end of year	2,063	1,953

20. Other financial assets, non-current (cont'd)

20B. Fair value of financial instruments stated at amortised cost in the statement of financial position (cont'd)

A summary of the maturity dates as at the end of the reporting year is as follows:

	Group and Company	
	2016 $'000	2015 $'000
Within 2 to 3 years	1,161	843
After 3 years	873	1,147
Total held-to-maturity investments at amortised cost	2,034	1,990

None of the financial assets measured at amortised cost were reclassified to financial assets at fair value during the reporting year.

21. Inventories

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Finished goods for resale	42,953	11,515	24,569	8,309
Inventories are stated after allowance. Movement in allowance:				
Balance at beginning of the year	(2,213)	(1,220)	(1,240)	(255)
(Charged) reversal to profit or loss included in (other losses) other gains	(245)	(1,005)	687	(985)
Charged to profit or loss included in cost of sales	–	(1)	–	–
Used	85	–	85	–
Foreign exchange adjustments	(37)	13	–	–
Balance at end of the year	(2,410)	(2,213)	(468)	(1,240)

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Increase in inventories of finished goods	31,438	3,762	16,260	3,084
The amount of inventories included in cost of sales	47,338	21,450	55,257	17,179
Inventories written off charged to profit or loss included in cost of sales	169	142	169	121

There are no inventories pledged as security for liabilities.

22. Trade and other receivables

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade receivables:				
Outside parties	23,931	8,201	18,811	4,283
Subsidiaries (Note 3)	–	–	27,165	13,109
Less allowance for impairment	(2,934)	(984)	(10,093)	(10,138)
Subtotal	20,997	7,217	35,883	7,254
Other receivables:				
Subsidiaries (Note 3)	–	–	12,147	6,518
Outside parties	2,646	3,539	2,919	3,494
Less allowance for impairment	(213)	(169)	(5,200)	(4,390)
Subtotal	2,433	3,370	9,866	5,622
Total trade and other receivables	23,430	10,587	45,749	12,876

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Movements in above allowance:				
Balance at beginning of the year	1,153	1,182	14,528	12,897
Charge for trade receivables to profit or loss included in other losses	1,865	265	294	1,102
Charge for other receivables to profit or loss included in other losses	44	–	810	722
Used	–	(294)	(339)	(193)
Foreign exchange adjustments for trade receivables	85	–	–	–
Balance at end of the year	3,147	1,153	15,293	14,528

23. Other assets

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Deposits to secure services	9,972	5,306	9,027	4,317
Prepayments [a]	2,117	1,944	157	128
Total other assets	12,089	7,250	9,184	4,445

(a) The balances include value added tax of $826,000 (2015: $788,000) prepaid to the Indonesia Tax Authority (also see Note 29B).

24. Cash and cash equivalents

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Not restricted in use [a]	48,721	40,812	21,810	11,109
Cash pledged for bank facilities [b]	2,042	2,075	1,500	1,500
Cash pledged for security deposits [c]	4,170	4,360	–	–
Cash at end of the year	54,933	47,247	23,310	12,609
Interest earning balances	25,656	9,959	20,744	9,419

The rate of interest for the cash on interest earning accounts is between 0.2% and 3.9% (2015: 0.09% and 5.0%) per annum.

(a) The balances include bank balances and short term deposits with a maturity of less than 90 days.

(b) This is for fixed deposits ranging from 1 month to 6 years (2015: 1 month to 6 years) maturity pledged to certain banks to secure banking facilities granted to the group. This banking facilities remain unutilised as at the end of reporting year (Note 32E).

(c) This relates to security deposits with an overseas bank placed by a subsidiary.

24A. Cash and cash equivalents in the consolidated statement of cash flows:

	Group	
	2016 $'000	2015 $'000
Amount as shown above	54,933	47,247
Cash pledged for bank facilities	(2,042)	(2,075)
Cash pledged for security deposits	(4,170)	(4,360)
Cash and cash equivalents for consolidated statement of cash flows purposes at end of the year	48,721	40,812

24B. Non-cash transaction

During the reporting year 2015, the group and the company acquired plant and equipment with aggregate cost of $31,000 of which $22,000 were by means of finance leases (Note 27). There was no acquisition of plant and equipment by means of finance leases in the reporting year 2016.

25. Share capital

Group and Company	Total number of shares issued '000	Number of ordinary shares '000	Share capital $'000	Number of treasury shares '000	Treasury shares $'000	Total $'000
Ordinary shares of no par value:						
Balance at 1 January 2015 and 31 December 2015	221,757	220,184	20,618	1,573	(449)	20,169
Issue of bonus shares [a]	55,439	55,046	–	393	–	–
Balance at 31 December 2016	277,196	275,230	20,618	1,966	(449)	20,169

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

(a) On 16 September 2016, the company completed the bonus issue of one (1) new share for every four (4) existing shares following the issuance and allotment of 55,439,143 bonus shares (55,045,893 of ordinary shares and 393,250 of treasury shares) to shareholders. The bonus issue has increased the total number of issued ordinary shares of the company from 220,183,864 to 275,229,757 shares and the treasury shares from 1,573,000 to 1,966,250 shares.

Capital management:

The objectives when managing capital are: to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

In order to maintain its listing on the Singapore Stock Exchange it has to have share capital with at least a free float of 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the year. Management receives a report from the registrars frequently on substantial share interests showing the non-free float and it demonstrated continuing compliance with the 10% limit throughout the year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

The company has no bank borrowing and finance lease. As disclosed in Note 27, the group has bank borrowings and finance leases totaling to $7,361,000 as at 31 December 2016 (2015: $18,000) and these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

All reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable. The other reserves are not available for cash dividends unless realised.

26. Trade and other payables

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade payables				
Outside parties and accrued liabilities	40,076	15,417	19,878	4,145
Subtotal – trade payables	40,076	15,417	19,878	4,145
Other payables				
Outside parties	3,812	8,490	347	5,817
Contingent consideration	–	598	–	–
Subtotal – other payables	3,812	9,088	347	5,817
Total trade and other payables	43,888	24,505	20,225	9,962

27. Other financial liabilities

	Group	
	2016 $'000	2015 $'000
Non-current:		
Financial instruments with floating interest rates:		
Bank loans (secured) (Note 27A)	4,720	–
Financial instruments with fixed interest rates:		
Finance leases (Note 27B)	3	11
Total non-current portion	4,723	11
Current:		
Financial instruments with floating interest rates:		
Bank loans (secured) (Note 27A)	2,630	–
Financial instruments with fixed interest rates:		
Finance leases (Note 27B)	8	7
Total current portion	2,638	7
Total non-current and current	7,361	18

27. Other financial liabilities (cont'd)

	Group	
	2016 $'000	2015 $'000
The non-current portion is repayable as follows:		
Due within 2 to 5 years	4,723	11
	4,723	11

27A. Bank loans (secured)

The facility agreements for certain of the bank loan provide among other matters the following:

(i) Interest rate is calculated at a margin over the bank's cost of funds as conclusively determined by the bank from time to time;
(ii) Legal mortgage over the leasehold property and investment property (Notes 15 and 16); and
(iii) Corporate guarantee by the company.

The range of floating rate interest rates paid were as follows:

	Group		Company	
	2016	2015	2016	2015
Bank loans	1.02% – 2.80%	1.39% – 2.92%	1.02% – 2.80%	1.39% – 2.92%

The floating rate debt instruments are with interest rates that are re-set regularly at 1 to 3 months intervals.

27B. Finance leases

2016	Minimum payments $'000	Finance charges $'000	Present value $'000
Minimum lease payments payable:			
Due within one year	9	(1)	8
Due within 2 to 5 years	3	–	3
Total	12	(1)	11
Net book value of plant and equipment under finance leases			26

2015	Minimum payments $'000	Finance charges $'000	Present value $'000
Minimum lease payments payable:			
Due within one year	10	(3)	7
Due within 2 to 5 years	12	(1)	11
Total	22	(4)	18
Net book value of plant and equipment under finance leases			28

27. Other financial liabilities (cont'd)

27B. Finance leases (cont'd)

There are leased assets under finance leases. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets. Other details are as follows:

	2016	2015
Average lease term, in year	3	3
Average effective borrowing rate per year	5.69%	5.69%

The finance leases and the average effective borrowing rate per year is a reasonable approximation of the carrying amount (Level 2).

The total for finance leases and the average effective borrowing rate per year is disclosed above. The fair value (Level 2) of $11,000 (2015: $18,000) is a reasonable approximation of the carrying amount. The fair value of the finance leases was estimated by discounting the future cash flows payable under the terms of the finance leases using the year-end interest rate of 5.69% (2015: 5.69%) per annum.

28. Other liabilities

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Provision for restoration costs	961	961	882	882
Movements in the above provision: At beginning and end of the year	961	961	882	882

The provision is based on the costs to be incurred to remove the leasehold improvements from leased property. The estimate is based on quotation from external contractors. The unexpired terms range from 2 to 3 years (2015: 2 to 3 years). Impact of discounting is not significant.

29. Contingent liabilities

29A. Undertaking to support subsidiaries with deficit position

	Company	
	2016 $'000	2015 $'000
Total net deficit position of subsidiaries	12,882	10,757

29. Contingent liabilities (cont'd)

29B. Indonesia tax assessment of fiscal year 2008

On 25 June 2010, a subsidiary, PT Best World Indonesia ("PT BWI") received from the Indonesia Tax Authority ("ITA") Tax Assessment Letter No. 00015/206/08/056/10 whereby the ITA made a claim for Corporate Income Tax ("CIT") year 2008 amounting to IDR31,361,377,029 ($3,216,000) and No. 00299/207/08/056/2010 for Value Added Tax ("VAT") for the year 2008 amounting to IDR8,550,468,871 ($877,000). Since then, the following events have transpired, up to the date of the financial statements:

(a) The subsidiary submitted an application for the cancellation of the above CIT assessment, which was rejected by ITA. The subsidiary then applied to the ITA to contest against the ITA decision, which was rejected due to lack of formality requirements. Having subsequently obtained new critical information, the subsidiary brought the tax dispute to the Supreme Court by lodging a reconsideration request to the Supreme Court on 31 January 2013. On 16 November 2015, the subsidiary was informed that it was not successful in its appeal to the Indonesian Supreme Court and the subsidiary was required to pay the full sum of the disputed fiscal year 2008 tax liability. As a result, the group recorded an adjustment on fiscal year 2008 CIT liability amounting to IDR33,347,416,313 ($3,418,000) to the group's consolidated profit or loss statement in the reporting year 2015 (Note 12).

(b) In line with the CIT dispute above, the subsidiary also filed tax objection for the VAT assessment. The ITA rejected the objection due to similar formality requirements. The subsidiary then filed an application for cancellation of VAT assessment which was rejected as the main dispute related to reconciliation of revenue has been refused in the tax lawsuit on the CIT assessment above. The subsidiary then applied to the ITA to contest against ITA decision. In April 2014, the ITA annulled its previous VAT assessment for the underpayment of VAT for the year 2008 and revised the amount from IDR8,550,468,871 to nil. The ITA also filed a judicial review to the Supreme Court. On 29 April 2014, the subsidiary filed a request to the ITA to offset the overpaid tax against existing outstanding tax payable. However the ITA rejected the subsidiary's request due to the filing of judicial review by the ITA. Up to date of the issuance of financial statements, the judicial review is still in process.

In accordance with Indonesia tax regulation, a tax payer should pay the tax claimed by ITA during the process of objection or appeal. The amounts of tax paid by the subsidiary as at the end of the reporting year, which were included under other assets are as follow (Note 23):

	2016 $'000	2015 $'000
Instalments for VAT – IDR7,681,705,460 (2015: IDR7,681,705,460)	826	788
Total	826	788

The management is of the opinion that no provision is deemed necessary for the VAT assessment above for the financial statements as at 31 December 2016 as the subsidiary's management, upon consultation with the tax advisor in Indonesia, has taken the view that the subsidiary has a good probability of having the tax cases decided in its favour.

30. Operating lease payment commitments – as lessee

At the end of the reporting year the total of future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Not later than one year	3,399	3,220	1,552	1,355
Later than one year and not later than five years	2,293	2,451	235	1,299
Later than five years	2,455	–	–	–
Total	8,147	5,671	1,787	2,654
Rental expenses for the year	3,415	3,057	1,390	1,360

Operating lease payments represent rentals payable for certain office premises and retail outlets. The lease rental terms are negotiated for an average term of three years and rentals are subject to an escalation clause.

31. Operating lease income commitments – as lessor

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group	
	2016 $'000	2015 $'000
Not later than one year	114	105
Later than one year and not later than five years	124	237
Total	238	342
Rental income for the year	105	55

Operating lease income commitments are for the investment property. The lease rental income terms are negotiated for an average term of three years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

32. Financial instruments: information on financial risks

32A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Financial assets:				
Cash and cash equivalents	54,933	47,247	23,310	12,609
Held-to-maturity investments	2,034	1,990	2,034	1,990
Loans and receivables	23,430	10,587	45,749	12,876
At end of the year	80,397	59,824	71,093	27,475
Financial liabilities:				
Trade and other payables measured at amortised cost	43,888	23,907	20,225	9,962
Trade and other payables measured at fair value	–	598	–	–
Other financial liabilities measured at amortised cost	7,361	18	–	–
At end of the year	51,249	24,523	20,225	9,962

Further quantitative disclosures are included throughout these financial statements.

32B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following good market practices.
5. When appropriate consideration is given to entering into derivatives or any other similar instruments solely for hedging purposes.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

32. Financial instruments: information on financial risks (cont'd)

32C. Fair value of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

32D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below.

Note 24 discloses the maturity of the cash and cash equivalents balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 days (2015: 30 days). But some customers take a longer period to settle the amounts.

(a) Ageing analysis of the trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade receivables:				
Less than 60 days	15,155	1,306	22,441	1,151
61 to 90 days	4,464	915	10,218	1,032
Over 90 days	2,165	1,688	9,916	1,278
At end of the year	21,784	3,909	42,575	3,461

(b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade receivables:				
Less than 60 days	900	300	381	567
61 to 90 days	–	–	1,666	492
Over 90 days	2,034	684	8,046	9,079
At end of the year	2,934	984	10,093	10,138

32. Financial instruments: information on financial risks (cont'd)

32D. Credit risk on financial assets (cont'd)

The allowance which is disclosed in Note 22 on trade receivables is based on individual accounts totalling $2,934,000 (2015: $984,000) that are determined to be impaired at the end of reporting year. These are not secured.

Other receivables are normally with no fixed terms and therefore there is no maturity.

Concentration of trade receivable customers as at the end of reporting year:

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Top 1 customer	16,553	4,020	16,553	4,020
Top 2 customers	17,159	4,369	16,784	4,054
Top 3 customers	17,391	4,624	16,813	4,088

32E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year $'000	1 – 3 years $'000	Total $'000
Non-derivative financial liabilities:			
2016:			
Trade and other payables	43,888	–	43,888
Other financial liabilities	2,750	4,799	7,549
At end of the year	46,638	4,799	51,437
2015:			
Trade and other payables	24,505	–	24,505
Other financial liabilities	10	12	22
At end of the year	24,515	12	24,527

Company	Less than 1 year $'000	1 – 3 years $'000	Total $'000
Non-derivative financial liabilities:			
2016:			
Trade and other payables	20,225	–	20,225
At end of the year	20,225	–	20,225
2015:			
Trade and other payables	9,962	–	9,962
At end of the year	9,962	–	9,962

The undiscounted amounts on borrowings with floating interest rates are determined by reference to the conditions existing at the reporting date.

32. Financial instruments: information on financial risks (cont'd)

32E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2015: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

Bank facilities:

	Group	
	2016 $'000	2015 $'000
Undrawn borrowing facilities	15,241	15,275

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided to management to assist them in monitoring the liquidity risk.

32F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates from financial assets and financial liabilities which are not significant. The interest rates are disclosed in the Notes 20, 24 and 27.

Sensitivity analysis: The effect on pre-tax profit is not significant.

32G. Foreign currency risks

Analysis of amounts denominated in non-functional currency:

Group 2016:	Malaysia Ringgit $'000	New Taiwan Dollar $'000	United States Dollar $'000	Total $'000
Financial assets:				
Cash and cash equivalents	–	–	9,305	9,305
Loans and receivables	–	–	18,330	18,330
Total financial assets	–	–	27,635	27,635
Financial liabilities:				
Trade and other payables	55	26	729	810
Total financial liabilities	55	26	729	810
Net financial (liabilities) assets at end of the year	(55)	(26)	26,906	26,825

32. Financial instruments: information on financial risks (cont'd)

32G. Foreign currency risks (cont'd)

Group 2015:	Malaysia Ringgit $'000	New Taiwan Dollar $'000	United States Dollar $'000	Total $'000
Financial assets:				
Cash and cash equivalents	–	–	3,642	3,642
Loans and receivables	–	–	4,032	4,032
Total financial assets	–	–	7,674	7,674
Financial liabilities:				
Trade and other payables	1,359	83	2,280	3,722
Total financial liabilities	1,359	83	2,280	3,722
Net financial (liabilities) assets at end of the year	(1,359)	(83)	5,394	3,952

Company 2016:	Malaysia Ringgit $'000	New Taiwan Dollar $'000	United States Dollar $'000	Total $'000
Financial assets:				
Cash and cash equivalents	–	–	8,804	8,804
Loans and receivables	–	–	19,711	19,711
Total financial assets	–	–	28,515	28,515
Financial liabilities:				
Trade and other payables	55	26	729	810
Total financial liabilities	55	26	729	810
Net financial (liabilities) assets at end of the year	(55)	(26)	27,786	27,705

Company 2015:	Malaysia Ringgit $'000	New Taiwan Dollar $'000	United States Dollar $'000	Total $'000
Financial assets:				
Cash and cash equivalents	–	–	2,980	2,980
Loans and receivables	–	–	4,032	4,032
Total financial assets	–	–	7,012	7,012
Financial liabilities:				
Trade and other payables	1,359	83	2,280	3,722
Total financial liabilities	1,359	83	2,280	3,722
Net financial (liabilities) assets at end of the year	(1,359)	(83)	4,732	3,290

32. Financial instruments: information on financial risks (cont'd)

32G. Foreign currency risks (cont'd)

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis:

	Group	
	2016 $'000	2015 $'000
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against United States Dollar with all other variables held constant would have an adverse effect on the group's pre-tax profit of	(2,446)	(490)

	Company	
	2016 $'000	2015 $'000
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against United States Dollar with all other variables held constant would have an adverse effect on the company's pre-tax profit of	(2,526)	(430)

The above table shows sensitivity to a hypothetical 10% variation in the functional currency against the relevant foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies, there would be comparable impacts in the opposite direction on the profit or loss.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each currency to which the entity has significant exposure. The analysis above has been carried out on the basis that there are no hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposures in future.

33. Event after the end of the reporting year

Subsequent to the end of the reporting year, a wholly owned subsidiary of the company, Celcott Investments Pte. Ltd. ("CIPL") has terminated the joint venture agreement with Profile Biobank Pte. Ltd.. As the subscription condition in relation to the completion of the business transfer has not been fulfilled by the long stop date, CIPL has on 16 January 2017 issued termination notices to Profile Biobank Pte. Ltd. and Celcott Biobank Private Limited.

On 22 February 2017, the company announced that it is proposing a share split of each existing ordinary share in the capital of the company into two new shares ("new shares"). The company has an issued and paid-up share capital of 277,196,007 shares (including 1,966,250 treasury shares) as at 31 December 2016. On 7 March 2017, the company further announced that it has received in-principle approval from SGX-ST for the listing and quotation of the new shares, subject to approval being obtained at the extraordinary general meeting of the company being convened, and the company's compliance with the SGX-ST listing requirements. Following the completion of the proposed share split, the company will have 554,392,014 issued new shares (including 3,932,500 treasury shares.) The issued and paid-up share capital of the company shall remain unchanged.

34. Changes and adoption of financial reporting standards

For the current reporting year new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Amendments to FRS 1: Disclosure Initiative (early application)
FRS 16 & 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
FRS 110 & 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

35. New or amended standards in issue but not yet effective

For the future reporting years new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year, except as disclosed below for the material adjustments from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised FRSs will have on the entity's financial statements in the period of initial application.

FRS No.	Title	Effective date for periods beginning on or after
FRS 7	Amendments to FRS 7: Disclosure Initiative	1 Jan 2017
FRS 12	Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan 2018
FRS 109	Financial Instruments	1 Jan 2018
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116	Leases	1 Jan 2019

35. New or amended standards in issue but not yet effective (cont'd)

FRS 116 Leases effective for annual periods beginning on or after 1 January 2019 replaces FRS 17 and its interpretations. Almost all leases will be brought onto lessees' statements of financial position under a single model (except leases of less than 12 months and leases of low value assets). Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained. The management anticipates that FRS 116 will be adopted in the financial statements when it becomes mandatory and that the application of the new standard will have a significant effect on amounts reported in respect of the leases. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Singapore-incorporated companies listed on the Singapore Exchange will be required to comply with new financial reporting standards (to be issued by the Singapore Accounting Standards Council) as identical to the International Financial Reporting Standards ("IFRS") for reporting year beginning on or after 1 January 2018. Comparative figures are required. The management anticipate that new financial reporting standards will be adopted in the financial statements when they become mandatory. The application of IFRS 1 First-time adoption of IFRS might have a significant effect on amounts reported in the financial statements. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Location	Description	Existing use	Tenure of land
Block 726 Ang Mo Kio Avenue 6 #01-4150 Singapore 560726	2-storey building	Investment property	Leasehold land expiring on 1 October 2079
No. 11 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Malaysia	4-storey building	Office and Business Centre	Leasehold land expiring on 5 April 2078
No. 141 Jalan Danga Taman Nusa Bestari Dua 81300 Johor Bahru Malaysia	3-storey building	Office and Business Centre	Freehold land
1 Tuas Basin Link Singapore 638755	2-storey building	Manufacturing and Warehousing	Leasehold land expiring on 15 July 2054

Statistics of Shareholdings
As at 13 March 2017

SHARE CAPITAL

Issued and fully paid-up Share Capital	:	S$20,773,279.883
Class of Shares	:	Ordinary Shares
Voting Rights excluding treasury shares	:	one vote for every ordinary share
Number of issued shares excluding treasury shares	:	275,229,757
Number of treasury shares	:	1,966,250
Percentage of treasury shares	:	0.71%

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 13 MARCH 2017

Size Of Shareholdings			No. Of Shareholders	%	No. Of Shares	%
1	–	99	57	3.45	2,864	0.00
100	–	1,000	175	10.59	107,790	0.04
1,001	–	10,000	801	48.49	4,048,456	1.47
10,001	–	1,000,000	589	35.65	45,014,865	16.36
1,000,001		and above	30	1.82	226,055,782	82.13
			1,652	100.00	275,229,757	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 13 MARCH 2017

Shareholder's Name	No. of Shares	%
1. D2 INVESTMENT PTE LTD	96,393,750	35.02
2. DORA HOAN BENG MUI	15,440,000	5.61
3. DOREEN TAN NEE MOI	15,440,000	5.61
4. MAYBANK KIM ENG SECURITIES PTE LTD	14,022,086	5.09
5. CITIBANK NOMINEES SINGAPORE PTE LTD	13,104,306	4.76
6. DBS NOMINEES PTE LTD	11,394,605	4.14
7. HONG LEONG FINANCE NOMINEES PTE LTD	6,317,812	2.30
8. UNITED OVERSEAS BANK NOMINEES PTE LTD	5,589,787	2.03
9. MORGAN STANLEY ASIA (S) SECURITIES PTE LTD	4,498,424	1.63
10. PHILLIP SECURITIES PTE LTD	4,323,562	1.57
11. NG SEOW YUEN (HUANG XIAOYAN)	3,499,450	1.27
12. HSBC (SINGAPORE) NOMINEES PTE LTD	3,146,258	1.14
13. DB NOMINEES (S) PTE LTD	3,113,819	1.13
14. CHEN YAN FENG	3,100,000	1.13
15, OCBC SECURITIES PRIVATE LTD	2,872,235	1.04
16. CIMB SECURITIES (SINGAPORE) PTE LTD	2,605,493	0.95
17. RHB SECURITIES SINGAPORE PTE LTD	2,138,050	0.78
18. CHIN POH LENG	1,958,000	0.71
19. RAFFLES NOMINEES (PTE) LTD	1,851,562	0.67
20. SU AH TEE	1,707,950	0.62
Total	212,517,149	77.20

SUBSTANTIAL SHAREHOLDERS as at 13 March 2017
as shown in the Company's Register of Substantial Shareholders

Name of Substantial Shareholders	Shareholding registered in name of substantial shareholders		Other shareholdings in which substantial shareholders are deemed to have an interest	
	No. of Shares	% of Issued Shares	No. of Shares	% of Issued Shares
D2 Investment Pte Ltd	96,393,750	35.02	-	-
Dora Hoan Beng Mui	15,440,000	5.61	96,518,750 [1]	35.07
Doreen Tan Nee Moi	15,440,000	5.61	96,518,750 [2]	35.07
Li Lihui	125,000	0.05	15,440,000 [3]	5.61
Pek Jia Rong	125,000	0.05	15,440,000 [4]	5.61

Notes:-

(1) This represents Dr Hoan Beng Mui, Dora's deemed interest of 96,518,750 shares held in the name of the following:-
a) 96,393,750 shares held by D2 Investment Pte Ltd (a 50% owned private limited company); and
b) 125,000 shares held by Li Lihui (an immediate family member)

(2) This represents Dr Tan Nee Moi, Doreen's deemed interest of 96,518,750 shares held in the name of the following:-
c) 96,393,750 shares held by D2 Investment Pte Ltd (a 50% owned private limited company); and
d) 125,000 shares held by Pek Jia Rong (an immediate family member).

(3) This represents Li Lihui's deemed interest of 15,440,000 shares held in the name of Dr Hoan Beng Mui, Dora (an immediate family member).

(4) This represents Pek Jia Rong's deemed interest of 15,440,000 shares held in the name of Dr Tan Nee Moi, Doreen (an immediate family member).

Public Shareholdings

Based of the information provided to the Company as at 13 March 2017, approximately 49.46% of the total number of issued shares of the Company is held by the public. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

BEST WORLD INTERNATIONAL LIMITED
(Company Registration No. 199006030Z)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Best World International Limited (the "Company") will be held at the Auditorium at 26 Tai Seng Street, #04-01, Singapore 534057 on Wednesday, 26 April 2017 at 10.00 am to transact the following businesses:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2016 and the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax-exempt dividend of S$0.03 per ordinary share for the financial year ended 31 December 2016. **(Resolution 2)**

3. To approve payment of Directors' fees of S$$150,224 for the financial year ended 31 December 2016 (31 December 2015: S$126,000) **(Resolution 3)**

4. To re-elect the following Directors retiring pursuant to the Company's Articles of Association:
   (i) Ms Tan Nee Moi Doreen (Retiring under Article 93) **(Resolution 4)**
   (ii) Mr Lee Sen Choon (Retiring under Article 93) **(Resolution 5)**

   Mr Lee Sen Choon will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and he will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

   (See Explanatory Note 1)

5. To appoint Ernst & Young LLP as the Company's Auditors in place of RSM Chio Lim LLP and to authorise the Directors to fix their remuneration. **(Resolution 6)**

   This Resolution, if passed, is to approve the appointment of Ernst & Young LLP as the auditors of the Company in place of RSM Chio Lim LLP, and to authorise the Directors to fix the terms of their remuneration. Please refer to the Appendix to the 2016 Annual Report in relation to the proposed change of auditors for more details.

   (See Explanatory Note 2)

6. To transact any other ordinary business that may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. Authority to Issue Shares pursuant to the Share Issue Mandate **(Resolution 7)**

   "That pursuant to Section 161 of the Companies Act, Chapter 50 ("Act"), and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

(a) new shares arising from the conversion or exercise of convertible securities,

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

8. Authority to grant share awards and to allot and issue shares under the BWI Performance Share Scheme **(Resolution 8)**

"That, pursuant to Section 161 of the Act, the Directors of the Company be and are hereby authorised and empowered to offer and grant awards in accordance with the BWI Performance Share Scheme (the "PSS") and to allot and issue from time to time such number of fully-paid ordinary shares in the capital of the Company ("Shares") as may be required to be issued pursuant to the vesting of awards under the PSS, provided always that the aggregate number of Shares to be allotted and issued pursuant to the PSS, when added to the aggregate number of Shares issued and issuable pursuant to all other share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares) of the Company from time to time."

9. The Proposed Renewal of the Share Buyback Mandate **(Resolution 9)**

"That:-

(a) for the purposes of the Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:-

(i) market purchases (each a "Market Purchase") on the SGX-ST; and/or

(ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with an equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all laws, regulations and Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buyback Mandate");

(b) the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM of the Company is held or is required by law to be held;

(ii) the date on which the Share buybacks pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked;

(c) in this Resolution:

"Prescribed Limit" means 10% of the total number of issued Shares (excluding treasury shares) as at the date of passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time);

"Relevant Period" means the period commencing from the date of passing of this Resolution and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier;

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, in the case of a Market Purchase, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period, or in the case of an Off-Market Purchase, preceding the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."

Notice of Book Closure And Dividend Payment Date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members will be closed on 11 May 2017 for the preparation of dividend warrants for the proposed final one-tier tax-exempt dividend of SGD0.03 per share for the financial year ended 31 December 2016.

Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a business division of Tricor Singapore Pte. Ltd.) of 80 Robinson Road, #02-00, Singapore 068898, up to 5.00 p.m. on 9 May 2017 will be registered to determine Shareholders' entitlement to the Dividend. In respect of the shares in the securities accounts with The Central Depository (Pte) Limited ("CDP"), the Dividend will be paid by the Company to CDP which will distribute the Dividend to holders of the securities accounts.

The proposed final dividend, if approved by the shareholders at the Annual General Meeting, will be paid on 23 May 2017.

By Order of the Board

Huang Ban Chin
Director and Chief Operating Officer

Singapore

Dated: 11 April 2017

Explanatory Note:

(1) In relation to Ordinary Resolutions 4 and 5 proposed in item 4 above, the detailed information on Messrs Tan Nee Moi Doreen and Lee Sen Choon are set out in the section entitled "Board of Directors" of the Company's 2016 Annual Report. There are no relationships (including immediate family relationships) between Ms Tan Nee Moi Doreen and/or Mr Lee Sen Choon and the other directors of the Company.

(2) Resolution 6 relates to the appointment of Ernst & Young LLP ("Ernst & Young") as the auditors of the Company, in place of the retiring auditors, RSM Chio Lim LLP ("RSM Chio Lim"), and to hold office until the conclusion of the next annual general meeting of the Company. In accordance with the requirements of Rule 1203(5) of the Listing Manual of the SGX-ST:

a. the outgoing auditors of the Company, RSM Chio Lim, have confirmed in writing that they are not aware of any professional reasons why the new auditors, Ernst & Young, should not accept appointment as auditors of the Company;

b. the Company confirms that there were no disagreements with the outgoing auditors of the Company, RSM Chio Lim, on accounting treatments within the last 12 months;

c. the Company confirms that, save as disclosed in the Appendix to the 2016 Annual Report in relation to the proposed change of auditors, it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders;

d. the specific reasons for the Proposed Change of Auditors are set out in Section 2 of the Appendix to the 2016 Annual Report in relation to the proposed change of auditors; and

e. the Company confirms that it complies with Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to the proposed appointment of Ernst & Young.

Statement Pursuant to Article 52 of the Company's Articles of Association

The effect of the resolutions under the heading "Special Business" in this Notice of the Annual General Meeting is:-

(a) Ordinary Resolution 7 proposed in item 7 above, if passed, will authorise and empower the Directors of the Company from the date of the above Annual General Meeting until the next Annual General Meeting to issue shares in the capital of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

For the purpose of Ordinary Resolution 7, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of Instruments or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(b) Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company to offer and grant awards pursuant to the PSS and to allot and issue from time to time such number of fully-paid Shares pursuant to the vesting of awards under the PSS. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(c) Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors of the Company from the date of the above Meeting to purchase or otherwise acquire Shares by way of Market Purchases or Off-Market Purchases, provided that the aggregate number of Shares to be purchased or acquired under the Share Buyback Mandate does not exceed the Prescribed Limit, and at such price(s) as may be determined by the Directors of the Company from time to time up to but not exceeding the Maximum Price. The information relating to this proposed Ordinary Resolution is set out in the Appendix in relation to the proposed renewal of the share buyback mandate enclosed together with the Annual Report.

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy. Relevant intermediary is either:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or

   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors, who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

5. The instrument appointing a proxy must be deposited at the registered office of the Company at 26 Tai Seng Street, #05-01, Singapore 534057 not later than 48 hours before the time appointed for the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) or proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendances lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agent or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company(or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

BEST WORLD INTERNATIONAL LIMITED
(Incorporated in the Republic of Singapore on 11 December 1990)
(Company Registration No. 199006030Z)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (**"EGM"**) of Best World International Limited (the **"Company"**) will be convened at 26 Tai Seng Street, #04-01, Singapore 534057, on 26 April 2017 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be convened on the same day and at the same place), for the purpose of considering and, if thought fit, passing with or without any modifications the following resolution:

*Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as defined in the circular dated 11 April 2017 issued by the Company (the **"Circular"**).*

ORDINARY RESOLUTION – THE PROPOSED SHARE SPLIT OF EACH ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO TWO (2) ORDINARY SHARES ("SHARE SPLIT")

That:

(a) on and with effect from the Books Closure Date to be determined by the Directors, every one (1) existing ordinary share in the capital of the Company be sub-divided into two (2) ordinary shares in the capital of the Company; and

(b) the Directors be and are hereby authorised and empowered to do all acts and things as they may consider necessary or expedient to give effect to the Share Split, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) in the interests of the Company and, to the extent that any of the foregoing have been done, that they be and are hereby adopted, confirmed and ratified.

BY ORDER OF THE BOARD
Best World International Limited

Huang Ban Chin
Director and Chief Operating Officer

11 April 2017

Notes:

(1) A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.

(2) Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

A "**relevant intermediary**" is either:

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(3) If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

(4) An investor who bought shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.

(5) The instrument appointing a proxy must be deposited at the registered office of the Company at 26 Tai Seng Street, #05-01, Singapore 534057 not later than 48 hours before the time appointed for the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) or proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendances lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agent or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

BEST WORLD INTERNATIONAL LIMITED
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