



# **BEST WORLD INTERNATIONAL LTD**

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

## **Financial Statements And Related Announcement For The Year Ended 31 December 2015**

# **BEST WORLD INTERNATIONAL LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015**

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## CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

(Amounts expressed in Singapore dollars)

1(a)(I). An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months Ended 31.12.15 \$'000	3 months Ended 31.12.14 \$'000	Change %	12 months Ended 31.12.15 \$'000	12 months Ended 31.12.14 \$'000	Change %
Revenue	40,945	24,957	64.1	101,672	75,265	35.1
Cost of Sales	(10,334)	(5,716)	80.8	(24,805)	(19,275)	28.7
Gross Profit	30,611	19,241	59.1	76,867	55,990	37.3
<u>Other Items of Income</u>						
Interest Income	111	49	126.5	311	175	77.7
Other Operating Income	1,309	614	113.2	2,742	1,642	67.0
<u>Other Items of Expense</u>						
Distribution Costs	(15,085)	(9,604)	57.1	(36,386)	(28,249)	28.8
Administrative Expenses	(8,122)	(5,903)	37.6	(27,161)	(21,907)	24.0
Finance Costs	(7)	(40)	(82.5)	(54)	(89)	(39.3)
Other Gains (Other Losses), Net	604	(2,045)	NM	673	(1,910)	NM
<b>Profit Before Tax from Continuing Operations</b>	9,421	2,312	307.5	16,992	5,652	200.6
Income Tax Expense	(6,304)	(281)	2,143.4	(7,691)	(1,583)	385.8
<b>Profit from Continuing Operations, Net of Tax</b>	<u>3,117</u>	<u>2,031</u>	53.5	<u>9,301</u>	<u>4,069</u>	128.6
<b>Profit, Net of Tax Attributable to:</b>						
- Owners of the Parent Company	3,714	2,052	81.0	10,104	4,054	149.2
- Non-Controlling Interests	(597)	(21)	2,742.9	(803)	15	NM
	<u>3,117</u>	<u>2,031</u>	53.5	<u>9,301</u>	<u>4,069</u>	128.6
<b>Additional notes:</b>						
Gross Profit Margin	74.8%	77.1%		75.6%	74.4%	
Net Profit Margin	9.1%	8.2%		9.9%	5.4%	
Earnings Per Share (cents)	1.69	0.93		4.59	1.86	

## CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

### Statement of Comprehensive Income for the year ended 31 December 2015:

	Group			Group		
	3 months Ended 31.12.15 \$'000	3 months Ended 31.12.14 \$'000	Change %	12 months Ended 31.12.15 \$'000	12 months Ended 31.12.14 \$'000	Change %
<b>Profit for the Period, Net of Tax</b>	3,117	2,031	53.5	9,301	4,069	128.6
<u>Other Comprehensive (Expense) Income</u>						
Exchange Differences on Translating Foreign Operations	(734)	827	NM	(571)	986	NM
<b>Other Comprehensive (Expense) Income for the Period, Net of Tax</b>	(734)	827	NM	(571)	986	NM
<b>Total Comprehensive Income for the Period</b>	<u>2,383</u>	<u>2,858</u>	(16.6)	<u>8,730</u>	<u>5,055</u>	72.7
Attributable to:						
<b>Owners of the Parent Company</b>	<b>3,020</b>	<b>2,906</b>	3.9	<b>9,597</b>	<b>5,053</b>	89.9
Non-Controlling Interests	(637)	(48)	1,227.1	(867)	2	NM
<b>Total Comprehensive Income for the Period</b>	<u>2,383</u>	<u>2,858</u>	(16.6)	<u>8,730</u>	<u>5,055</u>	72.7

### 1(a)(ii). Profit before Income tax is determined after charging (crediting):

	Group	
	12 months Ended	
	31.12.15 \$'000	31.12.14 \$'000
Depreciation of Property, Plant and Equipment	1,747	1,634
Depreciation of an Investment Property	18	19
Amortisation of Intangible Assets	1,018	935
Inventories Written Off	142	115
Goodwill Written Off	27	-
Allowance for Impairment on Inventories	1,005	1,198
Fair Value Gain on Contingent Consideration for Investment in a Subsidiary	(954)	-
Impairment Allowance on Trade Receivables	20	352
Impairment Allowance on Other Receivables	-	294
Unrealized Foreign Exchange Loss (Gain), Net	445	(329)
Realized Foreign Exchange Gain, Net	(1,223)	(85)
Loss (Gain) on Disposal of Property, Plant and Equipment	7	(187)
Unaccounted Cash Written Off	-	687
Enhanced Special Employment Credit	-	(20)
Interest Income	(311)	(175)
Interest Expense	54	89

## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

(Amounts expressed in Singapore dollars)

1(b). (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	6,847	7,554	3,531	4,121
Investment Property	1,200	1,218	-	-
Intangible Assets	7,018	7,900	41	96
Investment in Subsidiaries	-	-	4,021	13,931
Deferred Tax Assets	749	396	-	-
Other Receivables	-	-	16,295	17,684
Other Financial Assets	1,990	-	1,990	-
Total Non-Current Assets	<u>17,804</u>	<u>17,068</u>	<u>25,878</u>	<u>35,832</u>
<b>CURRENT ASSETS</b>				
Inventories	11,515	7,753	8,309	5,225
Trade and Other Receivables	10,587	9,354	12,876	9,540
Other Financial Assets	-	259	-	259
Other Assets	7,250	8,712	4,445	4,192
Cash and Cash Equivalents	47,247	40,975	12,609	3,673
Total Current Assets	<u>76,599</u>	<u>67,053</u>	<u>38,239</u>	<u>22,889</u>
<b>TOTAL ASSETS</b>	<u><b>94,403</b></u>	<u><b>84,121</b></u>	<u><b>64,117</b></u>	<u><b>58,721</b></u>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share Capital	20,169	20,169	20,169	20,169
Retained Earnings	42,015	34,113	30,362	24,712
Other Reserve	1,516	2,023	-	-
Equity, Attributable to Owners of the Parent Company	<u>63,700</u>	<u>56,305</u>	<u>50,531</u>	<u>44,881</u>
Non-Controlling Interests	<u>(1,715)</u>	<u>(848)</u>	<u>-</u>	<u>-</u>
Total Equity	<u>61,985</u>	<u>55,457</u>	<u>50,531</u>	<u>44,881</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred Tax Liabilities	2,310	1,678	429	429
Other Financial Liabilities	11	1,328	-	1,328
Total Non-Current Liabilities	<u>2,321</u>	<u>3,006</u>	<u>429</u>	<u>1,757</u>
<b>CURRENT LIABILITIES</b>				
Income Tax Payable	4,624	979	2,313	235
Trade and Other Payables	24,505	18,999	9,962	6,247
Other Financial Liabilities	7	4,719	-	4,719
Other Liabilities	961	961	882	882
Total Current Liabilities	<u>30,097</u>	<u>25,658</u>	<u>13,157</u>	<u>12,083</u>
Total Liabilities	<u>32,418</u>	<u>28,664</u>	<u>13,586</u>	<u>13,840</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>94,403</b></u>	<u><b>84,121</b></u>	<u><b>64,117</b></u>	<u><b>58,721</b></u>

## BORROWINGS AND DEBT SECURITIES

(Amounts expressed in Singapore dollars)

### 1(b). (ii) Aggregate amount of Group's borrowings and debt securities.

Amount Repayable in One Year or less, or on Demand

As at 31.12.15		As at 31.12.14	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
7	-	4,719	-

Amount Repayable after One Year

As at 31.12.15		As at 31.12.14	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
11	-	1,328	-

#### Details of any collateral

Certain leasehold properties of a subsidiary at carrying value of \$428,000 as at 31 December 2015 (31 December 2014: \$501,000) and an investment property of a subsidiary at carrying value of \$1,200,000 as at 31 December 2015 (31 December 2014: \$1,218,000) are mortgaged to bank to secure bank facilities granted by the banks.

Plant and equipment with carrying value of \$28,000 as at 31 December 2015 (31 December 2014: \$769,000) were acquired under finance lease arrangements. The obligations under finance leases are secured by the lessor's charge over the leased assets.

Certain fixed deposits of the group are pledged to banks for facilities granted. See 1(c) for pledged details.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

(Amounts expressed in Singapore dollars)

### 1(c). A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	3 Months Ended 31.12.15	3 Months Ended 31.12.14	12 Months Ended 31.12.15	12 Months Ended 31.12.14
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from Operating Activities:</b>				
Profit before Tax	9,421	2,312	16,992	5,652
Interest Income	(111)	(49)	(311)	(175)
Interest Expense	7	40	54	89
Depreciation of Property, Plant and Equipment	432	437	1,747	1,634
Depreciation of an Investment Property	4	5	18	19
Amortisation of Intangible Assets	237	651	1,018	935
(Gain) Loss on Disposal of Property, Plant and Equipment	(9)	33	7	(187)
Goodwill Written Off	27	-	27	-
Fair Value Gain on Contingent Consideration for Investment in a subsidiary	(954)	-	(954)	-
Net Effect of Exchange Rate Changes in Consolidating Foreign Subsidiaries	(445)	524	(382)	684
<b>Operating Cash Flows before Changes in Working Capital</b>	<b>8,609</b>	<b>3,953</b>	<b>18,216</b>	<b>8,651</b>
Inventories	(2,664)	(677)	(3,762)	(881)
Trade and Other Receivables	(1,945)	(388)	(1,362)	(1,116)
Other Assets	(633)	(86)	(1,025)	(1,600)
Trade and Other Payables	5,353	2,319	6,458	7,333
<b>Net Cash Flows from Operations before Tax</b>	<b>8,720</b>	<b>5,121</b>	<b>18,525</b>	<b>12,387</b>
Income Tax Paid	(223)	(214)	(1,428)	(1,272)
<b>Net Cash Flows from Operating Activities</b>	<b>8,497</b>	<b>4,907</b>	<b>17,097</b>	<b>11,115</b>
<b>Cash flows from Investing Activities:</b>				
Purchase of Property, Plant and Equipment	(710)	(131)	(1,155)	(1,171)
Disposal of Property, Plant and Equipment	4	85	78	305
Increase in Intangible Assets	(9)	(43)	(21)	(43)
Acquisition of Subsidiaries (Net of Cash Acquired)	-	75	-	(7,101)
(Increase) Decrease in Other Financial Assets	(559)	-	(1,731)	1,015
Interest Received	111	49	311	175
<b>Net Cash Flows (used in) from Investing Activities</b>	<b>(1,163)</b>	<b>35</b>	<b>(2,518)</b>	<b>(6,820)</b>
<b>Cash flows from Financing Activities:</b>				
Dividends paid	-	-	(2,202)	(1,321)
Issue of Shares	-	-	-	3,085
Share Issue Expenses	-	-	-	(108)
Acquisition of a Non-Controlling Interest	-	-	-	(287)
Increase in Other Financial Liabilities	-	-	-	3,000
Repayment of Borrowings	(1,500)	(1,501)	(5,832)	(668)
Finance Lease Repayment	(4)	(108)	(219)	(215)
Interest Paid	(7)	(40)	(54)	(89)
(Increase) Decrease in Cash Restricted in Use	(213)	6	(4,680)	4
<b>Net Cash Flows (used in) from Financing Activities</b>	<b>(1,724)</b>	<b>(1,643)</b>	<b>(12,987)</b>	<b>3,401</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>5,610</b>	<b>3,299</b>	<b>1,592</b>	<b>7,696</b>
<b>Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance</b>	<b>35,202</b>	<b>35,921</b>	<b>39,220</b>	<b>31,524</b>
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance</b>	<b>40,812</b>	<b>39,220</b>	<b>40,812</b>	<b>39,220</b>

Note A :

	Group		Group	
	3 Months Ended 31.12.15	3 Months Ended 31.12.14	12 Months Ended 31.12.15	12 Months Ended 31.12.14
	\$ '000	\$ '000	\$ '000	\$ '000
Cash and bank balances	47,247	40,975	47,247	40,975
Less: Cash pledged	(6,435)	(1,755)	(6,435)	(1,755)
<b>Cash and Cash Equivalents in the Consolidated Cash Flow Statement</b>	<b>40,812</b>	<b>39,220</b>	<b>40,812</b>	<b>39,220</b>

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

1(d). (i) A statement (for the Group and company) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Attributable to Owners of the Parent Company</u>						Non- Controlling Interests
	Total Equity	Total	Share Capital	Treasury Shares	Retained Earnings	Foreign Currency Translation Reserve	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Group</b>							
<b>Balance at 1 January 2015</b>	55,457	56,305	20,618	(449)	34,113	2,023	(848)
<b><u>Movements in Equity</u></b>							
Total Comprehensive Income (Expense) for the Period	1,577	1,595	-	-	249	1,346	(18)
<b>Balance at 31 March 2015</b>	57,034	57,900	20,618	(449)	34,362	3,369	(866)
<b><u>Movements in Equity</u></b>							
Total Comprehensive Income (Expense) for the Period	952	1,090	-	-	2,106	(1,016)	(138)
Dividends	(1,101)	(1,101)	-	-	(1,101)	-	-
<b>Balance at 30 June 2015</b>	56,885	57,889	20,618	(449)	35,367	2,353	(1,004)
<b><u>Movements in Equity</u></b>							
Total Comprehensive Income (Expense) for the Period	3,818	3,892	-	-	4,035	(143)	(74)
Dividends	(1,101)	(1,101)	-	-	(1,101)	-	-
<b>Balance at 30 September 2015</b>	59,602	60,680	20,618	(449)	38,301	2,210	(1,078)
<b><u>Movements in Equity</u></b>							
Total Comprehensive Income (Expense) for the Period	2,383	3,020	-	-	3,714	(694)	(637)
<b>Balance at 31 December 2015</b>	<u>61,985</u>	<u>63,700</u>	<u>20,618</u>	<u>(449)</u>	<u>42,015</u>	<u>1,516</u>	<u>(1,715)</u>



## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

Group	Attributable to Owners of the Parent Company						Non-Controlling Interests
	Total Equity	Total	Share Capital	Treasury Shares	Retained Earnings	Foreign Currency Translation Reserve	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Balance at 1 January 2014</b>	49,033	49,356	17,641	(449)	31,188	976	(323)
<b><u>Movements in Equity</u></b>							
Issue of Shares	3,085	3,085	3,085	-	-	-	-
Share Issue Expenses	(108)	(108)	(108)	-	-	-	-
Total Comprehensive (Expense) Income for the Period	(278)	(375)	-	-	121	(496)	97
<b>Balance at 31 March 2014</b>	51,732	51,958	20,618	(449)	31,309	480	(226)
<b><u>Movements in Equity</u></b>							
Total Comprehensive Income (Expense) for the Period	919	926	-	-	758	168	(7)
Acquisition of a Non-Controlling Interest	(177)	127	-	-	125	2	(304)
Dividends	(661)	(661)	-	-	(661)	-	-
<b>Balance at 30 June 2014</b>	51,813	52,350	20,618	(449)	31,531	650	(537)
<b><u>Movements in Equity</u></b>							
Dividends	-	-	-	-	-	-	-
Total Comprehensive Income (Expense) for the Period	1,556	1,596	-	-	1,123	473	(40)
Acquisition of a Non-Controlling Interest Without a Change in Control	(110)	113	-	-	67	46	(223)
Dividends	(660)	(660)	-	-	(660)	-	-
<b>Balance at 30 September 2014</b>	52,599	53,399	20,618	(449)	32,061	1,169	(800)
<b><u>Movements in Equity</u></b>							
Total Comprehensive Income (Expense) for the Period	2,858	2,906	-	-	2,052	854	(48)
<b>Balance at 31 December 2014</b>	55,457	56,305	20,618	(449)	34,113	2,023	(848)

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

Company	<u>Attributable to Owners of the Parent Company</u>			
	<u>Total Equity</u>	<u>Share Capital</u>	<u>Treasury Shares</u>	<u>Retained Earnings</u>
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2015</b>	44,881	20,618	(449)	24,712
<b><u>Movements in Equity</u></b>				
Total Comprehensive Income for the Period	35	-	-	35
<b>Balance as at 31 March 2015</b>	<u>44,916</u>	<u>20,618</u>	<u>(449)</u>	<u>24,747</u>
<b><u>Movements in Equity</u></b>				
Total Comprehensive Income for the Period	861	-	-	861
Dividends	(1,101)	-	-	(1,101)
<b>Balance as at 30 June 2015</b>	<u>44,676</u>	<u>20,618</u>	<u>(449)</u>	<u>24,507</u>
<b><u>Movements in Equity</u></b>				
Total Comprehensive Income for the Period	2,435	-	-	2,435
Dividends	(1,101)	-	-	(1,101)
<b>Balance as at 30 September 2015</b>	<u>46,010</u>	<u>20,618</u>	<u>(449)</u>	<u>25,841</u>
<b><u>Movements in Equity</u></b>				
Total Comprehensive Income for the Period	4,521	-	-	4,521
<b>Balance as at 31 December 2015</b>	<u><u>50,531</u></u>	<u><u>20,618</u></u>	<u><u>(449)</u></u>	<u><u>30,362</u></u>
<b>Balance at 1 January 2014</b>	44,067	17,641	(449)	26,875
<b><u>Movements in Equity</u></b>				
Issue of Shares	3,085	3,085	-	-
Share Issue Expenses	(108)	(108)	-	-
Total Comprehensive Income for the Period	579	-	-	579
<b>Balance as at 31 March 2014</b>	<u>47,623</u>	<u>20,618</u>	<u>(449)</u>	<u>27,454</u>
<b><u>Movements in Equity</u></b>				
Total Comprehensive Income for the Period	531	-	-	531
Dividends	(661)	-	-	(661)
<b>Balance as at 30 June 2014</b>	<u>47,493</u>	<u>20,618</u>	<u>(449)</u>	<u>27,324</u>
<b><u>Movements in Equity</u></b>				
Total Comprehensive Income for the Period	388	-	-	388
Dividends	(660)	-	-	(660)
<b>Balance as at 30 September 2014</b>	<u>47,221</u>	<u>20,618</u>	<u>(449)</u>	<u>27,052</u>
<b><u>Movements in Equity</u></b>				
Total Comprehensive Expense for the Period	(2,340)	-	-	(2,340)
<b>Balance as at 31 December 2014</b>	<u><u>44,881</u></u>	<u><u>20,618</u></u>	<u><u>(449)</u></u>	<u><u>24,712</u></u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(Amounts expressed in Singapore dollars)

### SHARE CAPITAL

- 1(d). (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

#### (a) Share Capital

	Group and Company		Group and Company	
	Issued ordinary shares		Issued and fully paid up capital	
	No. of shares		\$'000	
	2015	2014	2015	2014
At 1 January	220,183,864	204,683,147	20,169	17,192
Issued Shares	-	15,500,717	-	3,085
Share Issue Expenses	-	-	-	(108)
At 31 March, 30 June, 30 September and 31 December	<u>220,183,864</u>	<u>220,183,864</u>	<u>20,169</u>	<u>20,169</u>

#### (b) Treasury Shares

	Group and Company		Group and Company	
	No. of shares		\$'000	
	2015	2014	2015	2014
At 1 January, 31 March, 30 June, 30 September and 31 December	<u>1,573,000</u>	<u>1,573,000</u>	<u>449</u>	<u>449</u>

For the year ended 31 December 2015 and 31 December 2014, the company did not purchase its ordinary shares to be held as treasury shares.

No options were granted and no new shares were issued pursuant to the Employee Share Option Scheme.

- (iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares excluding treasury shares as at 31 December 2015 and 31 December 2014 was 220,183,864.

The total number of treasury shares as at 31 December 2015 and 31 December 2014 was 1,573,000.

- (iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

## AUDIT

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited, or reviewed by auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

## ACCOUNTING POLICIES

4. **Whether the same accounting policies and methods of computation as in the Group and company's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current year as compared with those used in the audited financial statements for the financial year ended 31 December 2014.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of new and revised FRS does not have a significant impact on the Group.

## EARNINGS PER SHARE

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP					
	3 months ended 31.12.15	3 months ended 31.12.14	Change %	12 months ended 31.12.15	12 months ended 31.12.14	Change %
Earnings per share of Group:						
(a) Based on weighted average number of ordinary shares on issue (cts); and	1.69	0.93	81.7	4.59	1.86	146.8
(b) On a fully diluted basis (cts)	1.69	0.93	81.7	4.59	1.86	146.8

For comparative purposes, the earnings per ordinary shares for the three months ended 31 December 2015 and 31 December 2014 are calculated based on the profit for the period of approximately \$3.7 million and \$2.1 million respectively. The earnings per ordinary shares for the year ended 31 December 2015 and 31 December 2014 are calculated based on the profit for the year of approximately \$10.1 million and \$4.1 million respectively.

The weighted average number of ordinary shares (excluding treasury shares) for the three months ended 31 December 2015 and 31 December 2014 is 220,183,864. The weighted average number of ordinary shares (excluding treasury shares) for the year ended 31 December 2015 is 220,183,864 (year ended 31 December 2014: 217,678,269).

## NET ASSET VALUE PER SHARE

7. Net asset value (for the Issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	GROUP		COMPANY	
	31.12.15	31.12.14	31.12.15	31.12.14
Net asset value per ordinary shares (cents)	28.93	25.57	22.95	20.38

Note: The number of ordinary shares of the Group and Company (excluding treasury shares) as at 31 December 2015 and 31 December 2014 was 220,183,864.

## REVIEW OF THE PERFORMANCE OF THE GROUP

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

### Overview

For the reporting period ended 31 December 2015, the Group's performance maintained its quarter-on-quarter momentum, with revenue increasing 64.1% from \$25.0 million in 4Q2014 to \$40.9 million in 4Q2015. For FY2015, Group revenue increased by 35.1% to \$101.7 million in FY2015 as compared to \$75.3 million in FY2014. This encouraging performance was attributable to the positive revenue contribution from Taiwan, China, Indonesia and Malaysia.

For the reporting year, Gross Profit Margin increased to 75.6% in FY2015 vis-à-vis 74.4% in FY2014 mainly due to increased contribution from our export segment as well as improved margins from certain subsidiaries. Income Tax Expense was \$7.7 million for FY2015 due to certain profitable subsidiaries as well as an unsuccessful appeal of a FY2008 tax liability by our Indonesia subsidiary. As a result, Profit Attributable to Owners of the Parent Company increased from \$4.1 million in FY2014 to \$10.1 million in FY2015.

Other factors which contributed to this year's performance are as follows:

- Cost of Sales increased from \$19.3 million to \$24.8 million due to higher sales recorded during the quarter as well as higher orders from our China export agent;
- Higher Interest Income of \$0.3 million for FY2015 as opposed to \$0.2 million in FY2014 was due to interest earned from interest bearing funds by certain subsidiaries of the Group;
- Other Operating Income increased by 67.0% due to higher fees received from the Group's overseas Export Agent in FY2015;
- In line with the increase of the Group's revenue, Distribution Costs, which comprise of freelance commissions and other sales related expenses increased by 28.8% from \$28.2 million in FY2014 to \$36.4 million in FY2015. As a percentage of revenue, the Group was able to reduce its Distribution Cost from 37.5% in FY2014 to 35.8% as a result of higher contribution from our export segment.
- The Group incurred Administrative Expenses of \$27.2 million in this reporting year, compared to \$21.9 million in FY2014, mainly due to increase in staff expenses as well as rental costs. In addition, higher professional fees relating to new projects were also incurred during the year;
- Net Other Gains of \$0.7 million in FY2015 was mainly driven by foreign exchange gains from certain subsidiaries and fair value gain on contingent consideration for investment in our Zhejiang subsidiary, offsetting the Group's impairment allowance on inventories. In contrast, Net Other Losses in FY2014 of \$1.9 million was mainly due to impairment allowance on inventories.

## Revenue by Business Segments

For Quarter: 4Q2015 Vs 4Q2014

Business Segment	3 months ended 31.12.15 Revenue		3 months ended 31.12.14 Revenue		Change
	\$'000	%	\$'000	%	
Direct Selling	34,225	83.6	20,106	80.6	70.2
Export	4,834	11.8	3,449	13.8	40.2
Manufacturing/Wholesale	1,886	4.6	1,402	5.6	34.5
<b>Total</b>	<b>40,945</b>	<b>100.0</b>	<b>24,957</b>	<b>100.0</b>	<b>64.1</b>

For Year-to-Date: 4Q2015 Vs 4Q2014

Business Segment	12 months ended 31.12.15 Revenue		12 months ended 31.12.14 Revenue		Change
	\$'000	%	\$'000	%	
Direct Selling	80,545	79.2	60,261	80.1	33.7
Export	14,433	14.2	7,936	10.5	81.9
Manufacturing/Wholesale	6,694	6.6	7,068	9.4	(5.3)
<b>Total</b>	<b>101,672</b>	<b>100.0</b>	<b>75,265</b>	<b>100.0</b>	<b>35.1</b>

For the year ended 31 December 2015, the Group generated \$80.5 million or 79.2% of its total revenue from its core business of Direct Selling. This translates to an increase of 33.7% compared to FY2014, primarily due to a strong sales push at the end of FY2015, which saw a 70.2% increase from \$20.1 million in 4Q2014 to \$34.2 million in 4Q2015.

Export revenue increased by 81.9% from \$7.9 million in FY2014 to \$14.4 million in FY2015. This increase is mainly attributable to the growth of exports to China, which grew by 120.3% from \$5.9 million in FY2014 to \$13.0 million in FY2015. Export sales to Myanmar declined from \$2.0 million in FY2014 to \$1.4 million in FY2015.

The Manufacturing/Wholesale segment garnered \$6.7 million in FY2015, a decrease of 5.3% compared to FY2014 mainly due to the low summer season sales for the year. In line with the Management's expectation for a turnaround in 4Q2015, wholesalers' orders picked up in the last quarter of the year contributing to an increase of 34.5% in revenue.

As at 31 December 2015, total membership increased 3.7% to 402,422 members, when compared to 30 September 2015. Lifestyle Centres for the Group's Direct Selling business decreased from 78 as at 30 September 2015 to 73 as at 31 December 2015 due to closure of some of our Lifestyle Centres in certain subsidiaries.

## Revenue by Geographical Locations

For Quarter: 4Q2015 Vs 4Q2014

Geographical Locations	3 months ended 31.12.15 Revenue		3 months ended 31.12.14 Revenue		Change
	\$'000	%	\$'000	%	%
Singapore	1,735	4.2	2,432	9.7	(28.7)
China	6,512	15.9	4,372	17.5	48.9
Indonesia	2,914	7.1	514	2.1	466.9
Taiwan	27,559	67.3	11,196	44.9	146.2
Philippines	234	0.6	3,697	14.8	(93.7)
Others	1,991	4.9	2,746	11.0	(27.5)
<b>Total</b>	<b>40,945</b>	<b>100.0</b>	<b>24,957</b>	<b>100.0</b>	<b>64.1</b>

For Year-to-Date: 4Q2015 Vs 4Q2014

Geographical Locations	12 months ended 31.12.15 Revenue		12 months ended 31.12.14 Revenue		Change
	\$'000	%	\$'000	%	%
Singapore	7,418	7.3	8,837	11.7	(16.1)
China	19,771	19.4	12,980	17.2	52.3
Indonesia	6,507	6.4	2,896	3.8	124.7
Taiwan	56,393	55.5	22,710	30.2	148.3
Philippines	2,841	2.8	18,470	24.6	(84.6)
Others	8,742	8.6	9,372	12.5	(6.7)
<b>Total</b>	<b>101,672</b>	<b>100.0</b>	<b>75,265</b>	<b>100.0</b>	<b>35.1</b>

### Singapore

Revenue from Singapore declined by 28.7% from \$2.4 million in 4Q2014 to \$1.7 million in 4Q2015. Full year revenue has also declined by 16.1% from \$8.8 million in FY2014 to \$7.4 million in FY2015. A new product was launched during the quarter and the Management will expect the traction to take into effect in 1Q2016. Management acknowledges the challenges in this market and will continue to launch new products in 1Q2016 as well as continue to participate in trade exhibitions to promote brand awareness and stimulate demand for our products.

### China

In 4Q2015, China recorded an increase in revenue of 48.9% mainly due to higher export orders from our China agent as well as higher contribution from the Manufacturing/Wholesale segment vis-à-vis the same period last year.

Overall, revenue from China in FY2015 increased by 52.3% from \$13.0 million in FY2014 to \$19.8 million in FY2015. Management shall continue with marketing efforts to heighten brand awareness and increase market share for our skincare and functional food lines and expects this momentum to maintain in FY2016.



## **Indonesia**

As a result of the acquisition of a group of motivated leader distributors, the Indonesian market improved by 124.7% for FY2015 to \$6.5 million as compared to FY2014.

Management intends to maintain market share through generating demand for the Group's existing line of approved products and embark on a series of campaigns and activities to promote sales and membership growth.

## **Taiwan**

Taiwan continued to achieve strong revenue growth through a series of successful marketing campaigns. As a result, Taiwan recorded an increase in revenue from \$22.7 million in FY2014 to \$56.4 million in FY2015. This translates to an increase of 148.3% as compared to FY2014. Management shall continue to build on this momentum and grow its direct-selling business in this very competitive market by taking even more aggressive steps through opening a third RC in Kaohsiung to reach out to new members in the southern part of the market in FY2016.

## **Philippines**

In 4Q2015, revenue from Philippines declined by 93.7% to \$0.2 million vis-à-vis the same period last year. For the full year, revenue from Philippines declined by 84.6% from \$18.5 million in FY2014 to \$2.8 million in FY2015. This is mainly due to the continuous stiff market competition and new management will be introduced in FY2016 to bring in fresh ideas to revitalise the market in conjunction with more trainings and introduction of new products

## **Others**

Sales in Other Markets declined by 27.5% from \$2.7 million in 4Q2014 to \$2.0 million in 4Q2015. Full year revenue has also declined by 6.7% from \$9.4 million in FY2014 to \$8.7 million in FY2015 mainly due to lower contribution from Thailand, Hong Kong, Vietnam and Myanmar offsetting improvement from Malaysia and Korea.

## **Financial Position and Cash Flow**

Non-current assets of the Group increased from \$17.1 million as at 31 December 2014 to \$17.8 million as at 31 December 2015, mainly due to an increase in Other Financial Assets in relation to newly purchased investment bonds offsetting depreciation of Property, Plant and Equipment as well as amortisation of Intangible Assets.

Inventory increased from \$7.8 million as at 31 December 2014 to \$11.5 million as at 31 December 2015 in anticipation of higher orders from a number of our subsidiaries as well as our export agent.

In line with higher revenue generated, Trade and Other Receivables increased to \$10.6 million as at 31 December 2015.

Other Financial Assets of \$0.3 million as at 31 December 2014 consists of a bond investment that matured in April 2015.

Other Assets decreased from \$8.7 million as at 31 December 2014 to \$7.3 million as at 31 December 2015 mainly due to unsuccessful appeal of the FY2008 tax liability amounting to IDR 31.4 billion (equivalent to \$3.2 million) by our Indonesia subsidiary mentioned above. Consequently, the previously recorded prepaid taxes of IDR 21.8 billion (equivalent to \$2.3 million) had been reflected as Income Tax Expense in FY2015.

Trade and Other Payables increased from \$19.0 million as at 31 December 2014 to \$24.5 million as at 31 December 2015 due to the increased accruals of commission payables, convention expenses and other professional fees.

Total Other Financial Liabilities which mainly consist of term loan relating to the capital injection to our Zhejiang subsidiary has been fully paid as at 31 December 2015. As at 31 December 2015, Total Other Financial Liabilities of \$18,000 were related to finance lease acquired by a subsidiary.

Deferred Tax Liability increased to \$2.3 million as at 31 December 2015 due to dividend withholding tax payable to tax authority of our Taiwan subsidiary.

Other Liabilities were maintained at \$1.0 million as at 31 December 2015 vis-à-vis 31 December 2014.

In line with higher profits experienced by the Company and certain subsidiaries of the Group, Income Tax Payable increased from \$1 million as at 31 December 2014 to \$4.6 million as at 31 December 2015.

Cash and Cash Equivalents in the consolidated statement of cash flows increased from \$39.2 million as at 31 December 2014 to \$40.8 million as at 31 December 2015 largely as a result of increase in net cash flow from operating activities, offsetting repayment of the term loans as well as cash flow used in investing activities. In addition, cash restricted in use increased from \$1.8 million as at 31 December 2014 to \$6.4 million as at 31 December 2015.

As at 31 December 2015, the Group maintained a strong balance sheet and working capital position, with approximately \$47.2 million of cash and cash equivalents.

## COMMENTARY ON THE CURRENT PERIOD'S PROSPECTS

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The results are in line with section 10 of the last quarter's results announcement.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

Barring any unforeseen circumstances, management maintains a cautiously optimistic outlook for the Group's performance in FY2016 as a result of the continued growth for the Group's direct selling business in Taiwan, Indonesia, Malaysia and exports to China.

Factors that may affect the Group's performance in 1Q2016 and for the next 12 months are as follows:

- On top of the organic growth from the Group's core business of direct selling, management continues to explore inorganic growth opportunities which allows the Group to gain access into new markets, acquire new distribution channels, attain exclusivity to new products/services and/or tap into upstream value chain of synergistic businesses etc. In the course of exploring these opportunities, professional fees and other related expenses may be incurred;
- Increasing cost of goods due to various factors including a weakening of SGD against currencies which the Group frequently trades in;

- Higher Administrative expenses compared to FY2015 as a result of higher leasing expenses and depreciation costs related to new RC and refurbishment of RCs in certain markets;
- The Group's effort to improve our customers' online shopping experience and online after sales service will result in higher software license fees and implementation costs;
- Strengthening currencies of key markets which the Group operates in against the SGD may positively impact the Group's performance. Management will monitor the movement of other volatile currencies and undertake relevant measures to mitigate any potential risks to the Group's performance;
- The Group's application for direct selling license in China is in progress.

Other ongoing factors that affect the Group's performance include, timeline required for product registration in various markets, natural disasters, local direct selling regulations, product regulations and market competition.

## **DIVIDENDS**

### **11. (a) (i) Current Financial Period Reported On**

The directors are pleased to recommend a final one-tier tax-exempt dividend of 1.5 cents per share in respect of the financial year ended 31 December 2015.

### **(ii) Corresponding Period of the immediately Preceding Financial Year**

For the corresponding preceding period, the Company paid a final one-tier tax-exempt dividend of 0.5 cents per share in respect of financial year ended 31 December 2014.

### **(b) Date payable for dividend and date of allotment and issue for bonus issue**

Date payable for dividend: 23<sup>rd</sup> May 2016

### **(c) Books closure dates for dividend and bonus issue**

Book closure date for dividend: 9<sup>th</sup> May 2016

### **12. If no dividend has been declared/ recommended, a statement to that effect.**

Not applicable

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from shareholders for Interested Person Transactions.

**Interested Person Transactions**

Name of Interested Person	For the Year Ended 31 December 2015	
	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than \$100,000)
	\$'000	\$'000
Pek Lu Pin <sup>(1)</sup>		
- Sales	18	NA
- Freelance Commission Paid	158	NA

Note (1): Daughter of Dr. Doreen Tan Nee Moi

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

Not applicable

## PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediate preceding year.**

### Business Segments

**2015**

### Group

	<u>Direct selling</u>	<u>Export</u>	<u>Manufactur- ing/ Wholesale</u>	<u>Unallocated</u>	<u>Total</u>
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
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 Expense	(36)	(18)	-	-	(54)
Depreciation	(1,244)	(286)	(217)	(18)	(1,765)
Amortisation	(89)	(20)	(909)	-	(1,018)
Profit before Tax from Continuing Operations	9,087	7,055	(114)	964	16,992
Income Tax Expense					(7,691)
<b>Profit from Continuing Operations</b>					<b>9,301</b>
<u>Other Segment items</u>					
Additions to Property, Plant and Equipment	1,011	81	85	-	1,177
Additions to Intangible Assets	20	1	-	-	21
<u>Assets and Liabilities</u>					
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
<b>Total Group Assets</b>	<b>48,819</b>	<b>10,867</b>	<b>19,142</b>	<b>15,575</b>	<b>94,403</b>
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)
<b>Total Group Liabilities</b>	<b>(20,339)</b>	<b>(3,752)</b>	<b>(1,393)</b>	<b>(6,934)</b>	<b>(32,418)</b>

**Business Segments**  
**2014**  
**Group**

	<u>Direct</u> <u>selling</u> \$ '000	<u>Export</u> \$ '000	<u>Manufactur-</u> <u>ing/</u> <u>Wholesale</u> \$ '000	<u>Unallocated</u> \$ '000	<u>Total</u> \$ '000
External Sales and Services	60,261	7,936	7,068	-	75,265
Recurring EBITDA	5,065	1,878	1,091	120	8,154
Interest Income	98	65	12	-	175
Interest Expense	(89)	-	-	-	(89)
Depreciation	(1,205)	(227)	(202)	(19)	(1,653)
Amortisation	(75)	(20)	(840)	-	(935)
Profit before Tax from Continuing Operations	3,794	1,696	61	101	5,652
Income Tax Expense					(1,583)
<b>Profit from Continuing Operations</b>					<b>4,069</b>
<u>Other Segment items</u>					
Additions to Property, Plant and Equipment	1,316	280	5	-	1,601
Additions to Intangible Assets	14	1	28	-	43
<u>Assets and Liabilities</u>					
Total Assets for reportable segments	31,331	17,281	21,503	-	70,115
Unallocated:					
Deferred Tax Assets	-	-	-	396	396
Investment Property	-	-	-	1,218	1,218
Other Financial Assets	-	-	-	259	259
Other Assets	-	-	-	8,712	8,712
Other Unallocated Amounts	-	-	-	3,421	3,421
<b>Total Group Assets</b>	<b>31,331</b>	<b>17,281</b>	<b>21,503</b>	<b>14,006</b>	<b>84,121</b>
Total Liabilities for reportable segments	(20,263)	(3,722)	(2,022)	-	(26,007)
Unallocated:					
Deferred Tax Liabilities	-	-	-	(1,678)	(1,678)
Income Tax Payable	-	-	-	(979)	(979)
<b>Total Group Liabilities</b>	<b>(20,263)</b>	<b>(3,722)</b>	<b>(2,022)</b>	<b>(2,657)</b>	<b>(28,664)</b>

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please see section 8 for explanation.

**17. A breakdown of sales**

	<b>Group</b>		
	2015 (\$'000)	2014 (\$'000)	% Increase/ (Decrease)
(a) Sales reported for the first half year	34,536	31,079	11.1
(b) Operating profit after tax before deducting minority interests reported for the first half year	2,195	960	128.6
(c) Sales reported for second half year	67,136	44,186	51.9
(d) Operating profit after tax before deducting minority interest reported for second half year	7,106	3,109	128.6

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

<b>Type of dividend</b>	<b>2015 (\$'000)</b>	<b>2014 (\$'000)</b>
Interim paid	1,101	661
Final (proposed)	3,303	1,101
<b>Total</b>	<b>4,404</b>	<b>1,762</b>

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Financial Year Ended: 31 December 2015

Name	Age	Family relationship with any director, CEO or substantial shareholder	Current position and duties, and the year the position was held	Details if changes in duties and position held, if any, during the year
Tang Boon Leong, Jansen	38	Nephew of Group Co-Chairman, Group CEO/ Managing Director – Dr. Dora Hoan Beng Mui	<p>Group Manager, Regional Membership and Commission</p> <ul style="list-style-type: none"> <li>- Handles regional membership related matters such as distributors' bonus payments and processing new memberships</li> <li>- Position promoted since 1 March 2015</li> </ul> <p>Country Manager, Best World Lifestyle (HK) Company Ltd</p> <ul style="list-style-type: none"> <li>- Overall management &amp; operation of BWL(HK) and China market development</li> <li>- Position held since 1 January 2015</li> </ul>	NA
Tan Hui Keng, Phyllis	45	Sister-in-law of Co-Chairman, Group CEO/ Managing Director – Dr. Dora Hoan Beng Mui	<p>Group Manager, Logistic</p> <ul style="list-style-type: none"> <li>- Handles all matters relating to inventory planning, purchasing, export and import.</li> <li>- Position promoted since 1 March 2015</li> </ul>	NA

On behalf of the Board of Directors

Dr. Dora Hoan Beng Mui  
Co-Chairman, Group CEO/ Managing Director

Dr. Doreen Tan Nee Moi  
Co-Chairman, President

25 February 2016