



BEST WORLD INTERNATIONAL LTD

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

Financial Statements And Related Announcement For the 9 months ended 30 September 2015

BEST WORLD INTERNATIONAL LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

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CONSOLIDATED STATEMENT OF INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 30.09.15 \$'000	3 months Ended 30.09.14 \$'000	Change %	9 months Ended 30.09.15 \$'000	9 months Ended 30.09.14 \$'000	Change %
Revenue	26,191	19,229	36.2	60,727	50,308	20.7
Cost of Sales	(5,986)	(4,717)	26.9	(14,471)	(13,559)	6.7
Gross Profit	20,205	14,512	39.2	46,256	36,749	25.9
<u>Other Items of Income</u>						
Interest Income	90	47	91.5	200	126	58.7
Other Operating Income	515	346	48.8	1,433	1,028	39.4
<u>Other Items of Expense</u>						
Distribution Costs	(8,757)	(7,181)	21.9	(21,301)	(18,645)	14.2
Administrative Expenses	(7,717)	(6,053)	27.5	(19,039)	(16,004)	19.0
Finance Costs	(4)	(19)	(78.9)	(47)	(49)	(4.1)
Other Credits, Net	293	40	632.5	69	135	(48.9)
Profit Before Tax from Continuing Operations	4,625	1,692	173.3	7,571	3,340	126.7
Income Tax Expenses	(636)	(614)	3.6	(1,387)	(1,302)	6.5
Profit from Continuing Operations, Net of Tax	<u>3,989</u>	<u>1,078</u>	270.0	<u>6,184</u>	<u>2,038</u>	203.4
Profit, Net of Tax Attributable to:						
- Owners of the Parent Company	4,035	1,123	259.3	6,390	2,002	219.2
- Non-Controlling Interests	(46)	(45)	2.2	(206)	36	NM
	<u>3,989</u>	<u>1,078</u>	270.0	<u>6,184</u>	<u>2,038</u>	203.4
Additional notes:						
Gross Profit Margin	77.1%	75.5%		76.2%	73.0%	
Net Profit Margin	15.4%	5.8%		10.5%	4.0%	
Earnings Per Share (cents)	1.83	0.51		2.90	0.92	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

Statement of Comprehensive Income for the nine months ended 30 September 2015:

	Group			Group		
	3 months Ended 30.09.15 \$'000	3 months Ended 30.09.14 \$'000	Change %	9 months Ended 30.09.15 \$'000	9 months Ended 30.09.14 \$'000	Change %
Profit for the Period, Net of Tax	3,989	1,078	270.0	6,184	2,038	203.4
<u>Other Comprehensive (Expenses) Income</u>						
Exchange Differences on Translating Foreign Operations	(171)	478	NM	163	159	2.5
Other Comprehensive (Expenses) Income for the Period, Net of Tax	(171)	478	NM	163	159	2.5
Total Comprehensive Income for the Period	<u>3,818</u>	<u>1,556</u>	145.4	<u>6,347</u>	<u>2,197</u>	188.9
Attributable to:						
Owners of the Parent Company	3,892	1,596	143.9	6,577	2,147	206.3
Non-Controlling Interests	(74)	(40)	85.0	(230)	50	NM
Total Comprehensive Income for the Period	<u>3,818</u>	<u>1,556</u>	145.4	<u>6,347</u>	<u>2,197</u>	188.9

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

	Group	
	9 months Ended	
	30.09.15 \$'000	30.09.14 \$'000
Depreciation of Property, Plant and Equipment	1,315	1,197
Depreciation of an Investment Property	14	14
Amortisation of Intangible Assets	781	284
Inventories Written Off	129	1,145
Allowance for (Reversal of) Impairment on Inventories	400	(3)
Unrealized Foreign Exchange Loss (Gain), Net	1,021	(13)
Realized Foreign Exchange (Gain) Loss, Net	(1,482)	104
Loss (Gain) on Disposal of Property, Plant and Equipment	16	(220)
Enhanced Special Employment Credit	(24)	(3)
Interest Income	(200)	(126)
Interest Expenses	47	49

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 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	
	30.09.15	31.12.14	30.09.15	31.12.14
	\$'000	\$'000	\$'000	\$'000
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	6,566	7,554	3,582	4,121
Investment Property	1,204	1,218	-	-
Intangible Assets	7,217	7,900	53	96
Investment in Subsidiaries	-	-	3,968	13,931
Deferred Tax Assets	453	396	-	-
Other Receivables	-	-	16,295	17,684
Other Financial Assets	1,431	-	1,431	-
Total Non-Current Assets	<u>16,871</u>	<u>17,068</u>	<u>25,329</u>	<u>35,832</u>
CURRENT ASSETS				
Inventories	8,851	7,753	5,640	5,225
Trade and Other Receivables	8,772	9,354	10,514	9,540
Other Financial Assets	-	259	-	259
Other Assets	9,104	8,712	3,245	4,192
Cash and Cash Equivalents	41,424	40,975	12,449	3,673
Total Current Assets	<u>68,151</u>	<u>67,053</u>	<u>31,848</u>	<u>22,889</u>
TOTAL ASSETS	<u>85,022</u>	<u>84,121</u>	<u>57,177</u>	<u>58,721</u>
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	20,169	20,169	20,169	20,169
Retained Earnings	38,301	34,113	25,841	24,712
Other Reserve	2,210	2,023	-	-
Equity, Attributable to Owners of the Parent Company	<u>60,680</u>	<u>56,305</u>	<u>46,010</u>	<u>44,881</u>
Non-Controlling Interests	(1,078)	(848)	-	-
Total Equity	<u>59,602</u>	<u>55,457</u>	<u>46,010</u>	<u>44,881</u>
NON-CURRENT LIABILITIES				
Deferred Tax Liabilities	1,615	1,678	429	429
Other Financial Liabilities	-	1,328	-	1,328
Total Non-Current Liabilities	<u>1,615</u>	<u>3,006</u>	<u>429</u>	<u>1,757</u>
CURRENT LIABILITIES				
Income Tax Payable	1,240	979	737	235
Trade and Other Payables	20,104	18,999	7,619	6,247
Other Financial Liabilities	1,500	4,719	1,500	4,719
Other Liabilities	961	961	882	882
Total Current Liabilities	<u>23,805</u>	<u>25,658</u>	<u>10,738</u>	<u>12,083</u>
Total Liabilities	<u>25,420</u>	<u>28,664</u>	<u>11,167</u>	<u>13,840</u>
TOTAL EQUITY AND LIABILITIES	<u>85,022</u>	<u>84,121</u>	<u>57,177</u>	<u>58,721</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 30.09.15		As at 31.12.14	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
1,500	-	4,719	-

Amount Repayable after One Year

As at 30.09.15		As at 31.12.14	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
-	-	1,328	-

Details of any collateral

Certain leasehold properties of a subsidiary at carrying value of \$425,000 as at 30 September 2015 (31 December 2014: \$501,000) and an investment property of a subsidiary at carrying value of \$1,204,000 as at 30 September 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 nil as at 30 September 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 NINE MONTHS ENDED 30 SEPTEMBER 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 30.09.15	3 Months Ended 30.09.14	9 Months Ended 30.09.15	9 Months Ended 30.09.14
	\$'000	\$'000	\$'000	\$'000
Cash flows from Operating Activities:				
Profit before Tax	4,625	1,692	7,571	3,340
Interest Income	(90)	(47)	(200)	(126)
Interest Expense	4	19	47	49
Depreciation of Property, Plant and Equipment	429	440	1,315	1,197
Depreciation of an Investment Property	5	5	14	14
Amortisation of Intangible Assets	254	120	781	284
Loss (Gain) on Disposal of Property, Plant and Equipment	-	-	16	(220)
Net Effect of Exchange Rate Changes in Consolidating Foreign Subsidiaries	(213)	463	63	160
Operating Cash Flows before Changes in Working Capital	5,014	2,692	9,607	4,698
Inventories	(259)	(632)	(1,098)	(204)
Trade and Other Receivables	654	2,580	583	(728)
Other Assets	(39)	(995)	(392)	(1,514)
Trade and Other Payables	4,513	2,490	1,105	5,014
Net Cash Flows from Operations	9,883	6,135	9,805	7,266
Income Tax Paid	(353)	(576)	(1,205)	(1,058)
Net Cash Flows from Operating Activities	9,530	5,559	8,600	6,208
Cash flows from Investing Activities:				
Purchase of Property, Plant and Equipment	(200)	(337)	(445)	(1,040)
Disposal of Property, Plant and Equipment	-	-	74	220
Increase in Intangible Assets	(3)	-	(12)	-
Acquisition of Subsidiaries (Net of Cash Acquired)	-	-	-	(7,176)
(Increase) Decrease in Other Financial Assets	(1,431)	-	(1,172)	1,015
Interest Received	90	47	200	126
Net Cash Flows used in Investing Activities	(1,544)	(290)	(1,355)	(6,855)
Cash flows from Financing Activities:				
Dividends paid	(1,101)	(660)	(2,202)	(1,321)
Issue of Shares	-	-	-	3,085
Share Issue Expenses	-	-	-	(108)
Acquisition of a Non-Controlling Interest	-	(110)	-	(287)
Increase in Other Financial Liabilities	-	5,726	-	5,726
Repayment of Borrowings	-	-	(4,332)	(2,000)
Finance Lease Repayment	-	-	(215)	-
Interest Paid	(4)	(19)	(47)	(49)
Increase in Cash Restricted in Use	(43)	-	(4,467)	(2)
Net Cash Flows (used in) from Financing Activities	(1,148)	4,937	(11,263)	5,044
Net Increase (Decrease) in Cash and Cash Equivalents	6,838	10,206	(4,018)	4,397
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	28,364	25,715	39,220	31,524
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	35,202	35,921	35,202	35,921

Note A :

	Group		Group	
	3 Months Ended 30.09.15	3 Months Ended 30.09.14	9 Months Ended 30.09.15	9 Months Ended 30.09.14
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	41,424	37,682	41,424	37,682
Less: Cash pledged	(6,222)	(1,761)	(6,222)	(1,761)
Cash and Cash Equivalents in the Consolidated Cash Flow Statement	35,202	35,921	35,202	35,921

STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	
Group							
Balance at 1 January 2015	55,457	56,305	20,618	(449)	34,113	2,023	(848)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expense) for the Period	1,577	1,595	-	-	249	1,346	(18)
Balance at 31 March 2015	57,034	57,900	20,618	(449)	34,362	3,369	(866)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expense) for the Period	952	1,090	-	-	2,106	(1,016)	(138)
Dividends	(1,101)	(1,101)	-	-	(1,101)	-	-
Balance at 30 June 2015	56,885	57,889	20,618	(449)	35,367	2,353	(1,004)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expenses) for the Period	3,818	3,892	-	-	4,035	(143)	(74)
Dividends	(1,101)	(1,101)	-	-	(1,101)	-	-
Balance at 30 September 2015	<u>59,602</u>	<u>60,680</u>	<u>20,618</u>	<u>(449)</u>	<u>38,301</u>	<u>2,210</u>	<u>(1,078)</u>

STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

Group	Attributable to Owners of the Parent Company						
	Total Equity	Total	Share Capital	Treasury Shares	Retained Earnings	Foreign Currency Translation Reserve	Non-Controlling Interests
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 1 January 2014	49,033	49,356	17,641	(449)	31,188	976	(323)
Movements in Equity							
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
Balance at 31 March 2014	51,732	51,958	20,618	(449)	31,309	480	(226)
Movements in Equity							
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)	-	-
Balance at 30 June 2014	51,813	52,350	20,618	(449)	31,531	650	(537)
Movements in Equity							
Dividends	-	-	-	-	-	-	-
Total Comprehensive Income (Expenses) 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)	-	-
Balance at 30 September 2014	<u>52,599</u>	<u>53,399</u>	<u>20,618</u>	<u>(449)</u>	<u>32,061</u>	<u>1,169</u>	<u>(800)</u>

STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

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

NOTES TO FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 and 30 September	220,183,864	220,183,864	20,169	20,169

(b) Treasury Shares

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

For the nine months ended 30 September 2015 and 30 September 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 30 September 2015 and 31 December 2014 was 220,183,864.

The total number of treasury shares as at 30 September 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 period 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 30.09.15	3 months ended 30.09.14	Change %	9 months ended 30.09.15	9 months ended 30.09.14	Change %
Earnings per share of Group:						
(a) Based on weighted average number of ordinary shares on issue (cts); and	1.83	0.51	258.8	2.90	0.92	215.2
(b) On a fully diluted basis (cts)	1.83	0.51	258.8	2.90	0.92	215.2

For comparative purposes, the earnings per ordinary shares for the three months ended 30 September 2015 and 30 September 2014 are calculated based on the profit for the period of approximately \$4.0 million and \$1.1 million respectively. The earnings per ordinary shares for the nine months ended 30 September 2015 and 30 September 2014 are calculated based on the profit for the period of approximately \$6.4 million and \$2.0 million respectively.

The weighted average number of ordinary shares (excluding treasury shares) for the three months ended 30 September 2015 and 30 September 2014 is 220,183,864. The weighted average number of ordinary shares (excluding treasury shares) for the nine months ended 30 September 2015 is 220,183,864 (nine months ended 30 September 2014: 216,833,892).

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	
	30.09.15	31.12.14	30.09.15	31.12.14
Net asset value per ordinary shares (cents)	27.56	25.57	20.90	20.38

Note: The number of ordinary shares of the Group and Company (excluding treasury shares) as at 30 September 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 30 September 2015, the Group's performance maintained its quarter-on-quarter momentum, with revenue increasing 36.2% from \$19.2 million in 3Q2014 to \$26.2 million in 3Q2015. The stronger growth for 3Q2015 was attributable to the strong revenue contribution from Taiwan, China and Indonesia.

For the reporting quarter, Gross Profit Margin increased to 77.1% from 75.5% in the same quarter last year. Income Tax Expenses was \$0.6 million for 3Q2015 due to certain profitable subsidiaries. As a result, Profit Attributable to Owners of the Parent Company increased from \$1.1 million in 3Q2014 to \$4.0 million in 3Q2015. Other factors which contributed to this quarter's performance are as follows:

- Cost of Sales increased from \$4.7 million to \$6.0 million due to higher sales recorded during the quarter as well as higher orders from our China Export agent;
- Higher Interest Income of \$0.09 million for 3Q2015 as opposed to \$0.05 million in 3Q2014 was due to interest earned from interest bearing funds by certain subsidiaries of the Group;
- Other Operating Income increased by 48.8% due to higher service fees received from the Group's overseas Export Agent in 3Q2015;
- In line with the increase of the Group's revenue, Distribution Costs, which comprise of freelance commissions and other sales related expenses increased by 21.9% from \$7.2 million in 3Q2014 to \$8.8 million in 3Q2015;
- The Group incurred Administrative Expenses of \$7.7 million in this reporting quarter, compared to \$6.1 million in 3Q2014, mainly due to increase in staff expenses, rental costs as well as higher amortisation and depreciation expenses during the period. In addition, higher professional fees relating to new projects were also accrued during the period;
- Higher Net Other Credits of \$0.3 million in 3Q2015 was driven by foreign exchange gains from certain subsidiaries after offsetting the Group's provisions for slow moving stocks.

Revenue by Business Segments

For Quarter: 3Q2015 vs 3Q2014

Business Segment	3 months ended 30.09.15 Revenue		3 months ended 30.09.14 Revenue		Change
	\$'000	%	\$'000	%	
Direct Selling	21,031	80.3	15,628	81.3	34.6
Export	4,000	15.3	1,413	7.3	183.1
Manufacturing/Wholesale	1,160	4.4	2,188	11.4	(47.0)
Total	26,191	100.0	19,229	100.0	36.2

For Year-to-Date: 3Q2015 Vs 3Q2014

Business Segment	9 months ended 30.09.15 Revenue		9 months ended 30.09.14 Revenue		Change
	\$'000	%	\$'000	%	
Direct Selling	46,320	76.3	40,155	79.8	15.4
Export	9,599	15.8	4,487	8.9	113.9
Manufacturing/Wholesale	4,808	7.9	5,666	11.3	(15.1)
Total	60,727	100.0	50,308	100.0	20.7

For 3Q2015, revenue contributed from the Group's core business of Direct Selling amounted to 80.3% of the Group's total revenue.

The Group registered a 34.6% revenue growth from this segment when compared against the corresponding period last year. This is mainly attributable to stronger revenue contribution from Taiwan, Indonesia and some other markets, offsetting the weaker revenue from the other markets that the Group operates in.

Vis-à-vis the same period last year, Export revenue continued to improve from \$1.4 million in 3Q2014 to \$4.0 million this quarter, driven mostly by increased export orders from our China agent.

Compared to the same period last year, Manufacturing/Wholesale revenue decreased 47.0% to \$1.2 million in 3Q2015 mainly due to another quarter of weakening orders from wholesalers due to the low summer season this year. Management expects the gap to narrow as wholesalers' orders pick up in the last quarter of the year.

As at 30 September 2015, total membership increased 3.5% to 388,138 members, when compared to 30 June 2015. Lifestyle Centres for the Group's Direct Selling business stands at 78.

Revenue by Geographical Locations

For Quarter: 3Q2015 vs 3Q2014

Geographical Locations	3 months ended 30.09.15 Revenue		3 months ended 30.09.14 Revenue		Change
	\$'000	%	\$'000	%	%
Singapore	1,767	6.7	2,304	12.0	(23.3)
China	4,805	18.4	3,117	16.2	54.2
Taiwan	14,125	53.9	4,940	25.7	185.9
Philippines	529	2.0	5,736	29.8	(90.8)
Others	4,965	19.0	3,132	16.3	58.5
Total	26,191	100.0	19,229	100.0	36.2

For Year-to-Date: 3Q2015 Vs 3Q2014

Geographical Locations	9 months ended 30.09.15 Revenue		9 months ended 30.09.14 Revenue		Change
	\$'000	%	\$'000	%	%
Singapore	5,683	9.4	6,405	12.7	(11.3)
China	13,259	21.8	8,608	17.1	54.0
Taiwan	28,834	47.5	11,514	22.9	150.4
Philippines	2,607	4.3	14,773	29.4	(82.4)
Others	10,344	17.0	9,008	17.9	14.8
Total	60,727	100.0	50,308	100.0	20.7

Singapore

Revenue from Singapore declined by 23.3% quarter-on-quarter due to the small yet competitive nature of the market. Management has adopted new marketing strategies as of 3Q2015 but expects more challenging months ahead before the strategies can gain traction. A new product is slated to launch in Singapore in 4Q2015.

China

For 3Q2015, China recorded an increase in revenue of 54.2% mainly due to higher export orders from our China agent vis-à-vis the same period last year, offsetting a decline in revenue contribution from the Manufacturing/Wholesale segment. Management shall continue with marketing efforts to heighten brand awareness and increase market share for our skincare and functional food lines via a series of strategies for the remaining quarter of FY2015.

Taiwan

In line with management's expectations, steady growth in Taiwan was achieved through a series of effective marketing campaigns and product launches. As a result, Taiwan recorded an increase in revenue from \$4.9 million in 3Q2014 to \$14.1 million in 3Q2015. This translates to an increase of 185.9% as compared to the same period last year. Management is cautiously

optimistic about Taiwan for this last quarter as we expect this positive momentum to extend itself into the remaining months of the year.

Philippines

Philippines registered a total revenue of \$0.5 million in 3Q2015 vis-à-vis \$5.7 million in 3Q2014, as the market competition issues persist since 1Q2015. While year end promotion mechanisms and new product launch are already in place, management maintains a cautious outlook as the challenges are not expected to improve in the short term.

Others

Collectively, revenue from Other Markets increased from \$3.1 million in 3Q2014 to \$5.0 million in 3Q2015, as a result of growth coming from Indonesia, Malaysia, Vietnam and Korea, offsetting lower contributions from Thailand and Hong Kong.

The respective management will have one more new product to launch in the remaining months of the year and will also take appropriate steps to engage with the market so as to stimulate demand and attract new members in 4Q2015.

Financial Position and Cash Flow

Non-current assets of the Group decreased from \$17.1 million as at 31 December 2014 to \$16.9 million as at 30 September 2015, mainly due to depreciation of Property, Plant and Equipment as well as amortisation of Intangible Assets offsetting an increase in Other Financial Assets in relation to newly purchased investment bonds.

Inventory increased from \$7.8 million as at 31 December 2014 to \$8.9 million as at 30 September 2015 due to higher expectation of demand in a number of our subsidiaries for the remaining quarter of the year.

Trade and Other Receivables decreased to \$8.8 million as at 30 September 2015 due to payments from our customers.

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

Other Assets increased from \$8.7 million as at 31 December 2014 to \$9.1 million as at 30 September 2015 mainly due to higher deposits made by certain subsidiaries of the group to suppliers during the period.

Trade and Other Payables increased from \$19.0 million as at 31 December 2014 to \$20.1 million as at 30 September 2015 due to the increased accruals of commission payables, convention expenses and other professional fees.

Total Other Financial Liabilities reduced from \$6.0 million as at 31 December 2014 to \$1.5 million as at 30 September 2015 due to repayment of term loans during 2Q2015.

Other Liabilities were maintained at \$1.0 million as at 30 September 2015 vis-à-vis 31 December 2014.

Cash and Cash Equivalents in the consolidated statement of cash flows decreased from \$39.2 million as at 31 December 2014 to \$35.2 million as at 30 September 2015 largely as a result of increase in other Financial Assets, repayment of the term loans mentioned above and dividends paid during the period offsetting net cash flow from operating activities. In addition, cash restricted in use increased from \$1.8 million as at 31 December 2014 to \$6.2 million as at 30 September 2015.

As at 30 September 2015, the Group maintained a strong balance sheet and working capital position, with approximately \$41.4 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.

Management is cautiously optimistic that the Group will perform positively for the remaining quarter of FY2015, due to continual growth in key markets like Taiwan, China and Indonesia.

Factors that may affect the Group's performance in 4Q2015 and for the next 12 months are as follows:

- The Group's growth strategy includes tapping into other growth opportunities in order to gain access to new markets and/or new distribution channels, attain exclusivity to new and unique products/services and to tap into upstream value chain of businesses that are synergistic to ours. In the course of exploring these opportunities, professional fees 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 as a result of increased depreciation for the remaining periods due to new RCs in certain expanding markets, expansion/refurbishment plans for our Taichung RC, software licenses and implementation costs;
- Increase in licensing, regulatory and professional membership expenses may result in higher administrative expenses for the Group;
- 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

None

(ii) Corresponding Period of the immediately Preceding Financial Year

Not applicable

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

Not applicable

(c) Books closure dates for dividend and bonus issue

Not applicable

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

No dividend has been recommended or declared for the quarter ended 30 September 2015.

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 Nine Months Ended 30 September 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 ⁽¹⁾		
- Sales	14	NA
- Freelance Commission Paid	102	NA

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

14. Board Negative Assurance Confirmation for Interim Financial Results

We, Dr. Dora Hoan Beng Mui and Dr. Doreen Tan Nee Moi, being two directors of Best World International Limited (the "Company"), do hereby confirm, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the nine months ended 30 September 2015 to be false or misleading.

15. 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).

The Company confirms that the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

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

9 November 2015