BEST WORLD INTERNATIONAL LTD

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

Financial Statements
And Related Announcement
For the 6 months ended 30 June 2017

BEST WORLD INTERNATIONAL LIMITED
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2017

TABLE OF CONTENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2017

(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 30.06.17 $'000	3 months Ended 30.06.16 $'000	Change %	6 months Ended 30.06.17 $'000	6 months Ended 30.06.16 $'000	Change %
Revenue	55,283	51,568	7.2	100,027	86,794	15.2
Cost of Sales	(16,126)	(12,974)	24.3	(29,138)	(21,611)	34.8
Gross Profit	39,157	38,594	1.5	70,889	65,183	8.8
Other Items of Income						
Interest Income	86	69	24.6	187	142	31.7
Other Operating Income	2,789	1,479	88.6	4,258	2,637	61.5
Other Items of Expense						
Distribution Costs	(13,475)	(19,634)	(31.4)	(24,726)	(31,141)	(20.6)
Administrative Expenses	(9,279)	(10,031)	(7.5)	(18,186)	(17,101)	6.3
Finance Costs	(31)	(8)	287.5	(57)	(8)	612.5
(Other Losses) Other Gains , Net	(889)	609	NM	(1,949)	(1,028)	89.6
Profit Before Tax from Continuing Operations	18,358	11,078	65.7	30,416	18,684	62.8
Income Tax Expense	(6,494)	(3,714)	74.9	(8,993)	(5,459)	64.7
Profit from Continuing Operations, Net of Tax	11,864	7,364	61.1	21,423	13,225	62.0
Profit, Net of Tax Attributable to:						
- Owners of the Parent Company	11,965	7,369	62.4	21,688	13,332	62.7
- Non-Controlling Interests	(101)	(5)	1,920.0	(265)	(107)	147.7
	11,864	7,364	61.1	21,423	13,225	62.0
Additional notes:						
Gross Profit Margin	70.8%	74.8%		70.9%	75.1%	
Net Profit Margin	21.6%	14.3%		21.7%	15.4%	
Earnings Per Share (cents)	2.17	1.34		3.94	2.42	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2017

Statement of Comprehensive Income for the six months ended 30 June 2017:

	Group			Group		
	3 months Ended 30.06.17 $'000	3 months Ended 30.06.16 $'000	Change %	6 months Ended 30.06.17 $'000	6 months Ended 30.06.16 $'000	Change %
Profit for the Period, Net of Tax	11,864	7,364	61.1	21,423	13,225	62.0
Other Comprehensive Income (Expense)						
Exchange Differences on Translating Foreign Operations	279	(606)	NM	(205)	(1,406)	(85.4)
Other Comprehensive Income (Expense) for the Period, Net of Tax	279	(606)	NM	(205)	(1,406)	(85.4)
Total Comprehensive Income for the Period	12,143	6,758	79.7	21,218	11,819	79.5
Attributable to:						
Owners of the Parent Company	**12,228**	**6,790**	80.1	**21,435**	**11,915**	79.9
Non-Controlling Interests	(85)	(32)	165.6	(217)	(96)	126.0
Total Comprehensive Income for the Period	12,143	6,758	79.7	21,218	11,819	79.5

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

	Group	
	6 months Ended	
	30.06.17 $'000	30.06.16 $'000
Depreciation of Property, Plant and Equipment	996	840
Depreciation of an Investment Property	9	9
Amortisation of Intangible Assets	489	482
Inventories Written Off	19	90
Allowance for Impairment on Inventories	48	-
Fair Value Loss on Forward Contract	-	391
Reversal of Impairment Allowance on Trade Receivables	-	(3)
Foreign Exchange Adjustment, Net Loss	1,974	642
Gain on Disposal of Property, Plant and Equipment	(73)	(2)
Interest Income	(187)	(142)
Interest Expense	57	8

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017

(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	
	30.06.17	31.12.16	30.06.17	31.12.16
	$'000	$'000	$'000	$'000
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	16,286	16,765	2,826	2,788
Investment Property	1,173	1,182	-	-
Intangible Assets	5,704	6,216	8	14
Investment in Subsidiaries	-	-	3,293	3,293
Deferred Tax Assets	576	582	-	-
Other Receivables	-	-	16,295	16,295
Other Financial Assets	1,935	2,034	1,935	2,034
Total Non-Current Assets	25,674	26,779	24,357	24,424
CURRENT ASSETS				
Inventories	41,945	42,953	27,865	24,569
Trade and Other Receivables	42,671	23,430	55,529	45,749
Other Assets	10,340	12,089	7,748	9,184
Cash and Cash Equivalents	48,721	54,933	19,407	23,310
Total Current Assets	143,677	133,405	110,549	102,812
TOTAL ASSETS	169,351	160,184	134,906	127,236
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	20,169	20,169	20,169	20,169
Retained Earnings	82,286	68,855	79,674	73,905
Other Reserve	1,310	1,563	-	-
Equity, Attributable to Owners of the Parent	103,765	90,587	99,843	94,074
Non-Controlling Interests	(2,141)	(1,924)	-	-
Total Equity	101,624	88,663	99,843	94,074
NON-CURRENT LIABILITIES				
Deferred Tax Liabilities	3,141	2,826	429	429
Other Financial Liabilities	3,388	4,723	-	-
Total Non-Current Liabilities	6,529	7,549	429	429
CURRENT LIABILITIES				
Income Tax Payable	14,639	16,485	13,528	11,626
Trade and Other Payables	42,939	43,888	20,224	20,225
Other Financial Liabilities	2,659	2,638	-	-
Other Liabilities	961	961	882	882
Total Current Liabilities	61,198	63,972	34,634	32,733
Total Liabilities	67,727	71,521	35,063	33,162
TOTAL EQUITY AND LIABILITIES	169,351	160,184	134,906	127,236

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

Amount Repayable in One Year or less, or on Demand

As at 30.06.17		As at 31.12.16	
Secured ($'000)	Unsecured ($'000)	Secured ($'000)	Unsecured ($'000)
2,659	-	2,638	-

Amount Repayable after One Year

As at 30.06.17		As at 31.12.16	
Secured ($'000)	Unsecured ($'000)	Secured ($'000)	Unsecured ($'000)
3,388	-	4,723	-

Details of any collateral

Certain leasehold properties of subsidiaries at carrying value of $10,451,000 as at 30 June 2017 (31 December 2016: $10,640,000) and an investment property of a subsidiary at carrying value of $1,173,000 as at 30 June 2017 (31 December 2016: $1,182,000) are mortgaged to bank to secure bank facilities granted by the banks.

Plant and equipment with carrying value of $23,000 as at 30 June 2017 (31 December 2016: $26,000) 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 SIX MONTHS ENDED 30 JUNE 2017

(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 30.06.17	3 Months Ended 30.06.16	6 Months Ended 30.06.17	6 Months Ended 30.06.16
Operating Activities:		$'000	$'000	$'000	$'000
Profit before Tax		18,358	11,078	30,416	18,684
Interest Income		(86)	(69)	(187)	(142)
Interest Expense		31	8	57	8
Depreciation of Property, Plant and Equipment		500	422	996	840
Depreciation of an Investment Property		4	4	9	9
Amortisation of Intangible Assets		243	238	489	482
Gain on Disposal of Property, Plant and Equipment		(73)	(2)	(73)	(2)
Gain on Forward Contract		-	(338)	-	391
Unrealised Exchange Loss (Gain)		1,421	(560)	3,187	162
Net Effect of Exchange Rate Changes in Consolidating Foreign Subsidiaries		197	(495)	(75)	(1,045)
Operating Cash Flows before Changes in Working Capital		20,595	10,286	34,819	19,387
Inventories		1,873	(2,992)	1,008	(4,317)
Trade and Other Receivables		(13,370)	(1,202)	(20,503)	(5,615)
Other Assets		1,132	(7,026)	918	(9,184)
Trade and Other Payables		723	6,177	(2,247)	4,738
Net Cash Flows from Operations before Tax		10,953	5,243	13,995	5,009
Income Tax Paid		(9,674)	(2,632)	(9,674)	(2,690)
Net Cash Flows from Operating Activities		1,279	2,611	4,321	2,319
Investing Activities:					
Purchase of Property, Plant and Equipment		(414)	(280)	(469)	(618)
Disposal of Property, Plant and Equipment		4	2	4	2
Increase in Intangible Assets		(1)	(4)	(1)	(4)
Interest Received		86	69	187	142
Net Cash Flows used in Investing Activities		(325)	(213)	(279)	(478)
Financing Activities:					
Dividends paid		(8,257)	(3,303)	(8,257)	(3,303)
Increase in Other Financial Liabilities		-	2,500	-	2,500
Repayment of Borrowings		(657)	-	(1,310)	-
Finance Lease Repayment		(2)	(2)	(4)	(4)
Interest Paid		(31)	(8)	(57)	(8)
Decrease in Cash Restricted in Use		(5)	131	120	343
Net Cash Flows used in Financing Activities		(8,952)	(682)	(9,508)	(472)
Net (decrease) increase in Cash and Cash Equivalents		(7,998)	1,716	(5,466)	1,369
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(233)	40	(628)	3
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance		50,858	40,428	48,721	40,812
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	**Note A**	**42,627**	**42,184**	**42,627**	**42,184**

Note A :	Group		Group	
	As at 30.06.17	As at 30.06.16	As at 30.06.17	As at 30.06.16
	$'000	$'000	$'000	$'000
Cash and bank balances	48,721	48,276	48,721	48,276
Less: Cash pledged	(6,094)	(6,092)	(6,094)	(6,092)
Cash and Cash Equivalents in the Consolidated Cash Flow Statement	**42,627**	**42,184**	**42,627**	**42,184**

STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2017

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.

		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
Group							
Balance at 1 January 2017	88,663	90,587	20,618	(449)	68,855	1,563	(1,924)
Movements in Equity							
Total Comprehensive Income (Expense) for the Period	9,075	9,207	-	-	9,723	(516)	(132)
Balance at 31 March 2017	97,738	99,794	20,618	(449)	78,578	1,047	(2,056)
Movements in Equity							
Total Comprehensive Income (Expense) for the Period	12,143	12,228	-	-	11,965	263	(85)
Dividends	(8,257)	(8,257)	-	-	(8,257)	-	-
Balance at 30 June 2017	101,624	103,765	20,618	(449)	82,286	1,310	(2,141)
Balance at 1 January 2016	61,985	63,700	20,618	(449)	42,015	1,516	(1,715)
Movements in Equity							
Total Comprehensive Income (Expense) for the Period	5,061	5,125	-	-	5,963	(838)	(64)
Balance at 31 March 2016	67,046	68,825	20,618	(449)	47,978	678	(1,779)
Movements in Equity							
Total Comprehensive Income (Expense) for the Period	6,758	6,790	-	-	7,369	(579)	(32)
Dividends	(3,303)	(3,303)	-	-	(3,303)	-	-
Balance at 30 June 2016	70,501	72,312	20,618	(449)	52,044	99	(1,811)

STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Attributable to Owners of the Parent Company			
	Total Equity	Share Capital	Treasury Shares	Retained Earnings
Company	$'000	$'000	$'000	$'000
Balance at 1 January 2017	94,074	20,618	(449)	73,905
Movements in Equity				
Total Comprehensive Income for the Period	6,730	-	-	6,730
Balance as at 31 March 2017	100,804	20,618	(449)	80,635
Movements in Equity				
Total Comprehensive Income for the Period	7,296	-	-	7,296
Dividends	(8,257)	-	-	(8,257)
Balance as at 30 June 2017	99,843	20,618	(449)	79,674
Balance at 1 January 2016	50,531	20,618	(449)	30,362
Movements in Equity				
Total Comprehensive Income for the Period	5,048	-	-	5,048
Balance as at 31 March 2016	55,579	20,618	(449)	35,410
Movements in Equity				
Total Comprehensive Income for the Period	6,549	-	-	6,549
Dividends	(3,303)	-	-	(3,303)
Balance as at 30 June 2016	58,825	20,618	(449)	38,656

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 No. of shares		Issued and fully paid up capital $'000	
	2017	2016	2017	2016
At 1 January and 31 March	275,229,757	220,183,864	20,169	20,169
Share Split	275,229,757	--	--	--
At 30 June	550,459,514	220,183,864	20,169	20,169

(b) Treasury Shares

	Group and Company		Group and Company	
	No. of shares		$'000	
	2017	2016	2017	2016
At 1 January and 31 March	1,966,250	1,573,000	449	449
Share Split	1,966,250	--	--	--
At 30 June	3,932,500	1,573,000	449	449

For the six months ended 30 June 2017 and 30 June 2016, the company did not purchase its ordinary shares to be held as treasury shares.

No new shares were issued pursuant to the Performance Share Scheme.

On 25 May 2017, the company issued a total of 277,196,007 new ordinary shares (including 1,966,250 treasury shares) by way of share split of each share into two new shares.

(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 June 2017 and 31 December 2016 was 550,459,514 and 275,229,757 respectively.

The total number of treasury shares as at 30 June 2017 and 31 December 2016 was 3,932,500 and 1,966,250 respectively.

(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 the Company's 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 2016.

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 that are effective for current periods beginning on 1 January 2017 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 30.06.17	3 months ended 30.06.16	Change %	6 months ended 30.06.17	6 months ended 30.06.16	Change %
Earnings per share of Group:						
(a) Based on weighted average number of ordinary shares on issue (cts); and	2.17	1.34	61.9	3.94	2.42	62.8
(b) On a fully diluted basis (cts)	2.17	1.34	61.9	3.94	2.42	62.8

For comparative purposes, the earnings per ordinary shares for the 3 months ended 30 June 2017 and 30 June 2016 are calculated based on the profit for the period of approximately $12.0 million and $7.4 million respectively. The earnings per ordinary shares for the 6 months ended 30 June 2017 and 30 June 2016 are calculated based on the profit for the period of approximately $21.7 million and $13.3 million respectively.

The weighted average number of ordinary shares (excluding treasury shares) for the 3 months and 6 months ended 30 June 2017 and 30 June 2016 is 550,459,514. For comparative purposes, the earnings per ordinary shares for the prior corresponding periods are adjusted retrospectively pursuant to the share split of every one existing ordinary share into two ordinary shares on 25 May 2017.

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	
	30.06.17	31.12.16	30.06.17	31.12.16
Net asset value per ordinary shares (cents)	18.85	32.91	18.14	34.18

Note: The number of ordinary shares of the Group and Company (excluding treasury shares) as at 30 June 2017 and 31 December 2016 was 550,459,514 and 275,229,757 respectively.

For purpose of comparison, assuming the share split of every one share into two ordinary shares was effected in the previous years, the net asset value per ordinary share would be as follows:

	GROUP		COMPANY	
	30.06.17	31.12.16	30.06.17	31.12.16
Net asset value per ordinary shares (cents)	18.85	16.46	18.14	17.09

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 June 2017, due to growing Export sales stemming from increased demand for the Group's brand offerings in China, the Group reported a 15.2% increase in Revenue and a 62.7% increase in Profit Attributable to Owners of the Parent Company of $21.7 million vis-a-vis $13.3 million for the same period last year.

Key points of the Group's performance for this reporting period include:

- In line with 1Q2017, the Group's Gross Profit Margin for 1H2017 remained stable at 70.9%. The lower Gross Profit Margin when compared to the same period last year is due to increased contribution from the Export Segment, which generates a lower gross margin than the Direct Selling segment;

- Other Operating Income increased by 88.6% mainly due to higher service fees received from the Group's overseas Export Agent in 2Q2017;

- Distribution Costs, which comprise of freelance commissions and other sales related expenses, declined by 31.4% from $19.6 million in 2Q2016 to $13.5 million in 2Q2017. This is in large part due to the high commissions paid out in 2Q2016 as a result of very strong revenue from the Taiwan market during that period. The Group's Export Segment does not incur any commissions;

- Administrative Expenses for 2Q2017 declined 7.5% as compared to 2Q2016 due to higher provision of bonuses for Management and staff costs in 2Q2016. For 1H2017, Administrative Expenses increased 6.3% from $17.1 million in 1H2016 to $18.2 million in 1H2017 as a result of higher Management and staff costs and higher depreciation for our Tuas facility, offsetting the decrease in professional fees incurred when compared to the corresponding period. In addition, expansion of our Taichung RC, which took effect in 3Q2016, as well as the newly established Taipei RC, resulted in the increase of Administrative Expenses for 1H2017;

- For 2Q2017, the Group recorded Net Other Losses of $0.9 million as opposed to Net Other Gains of $0.6 million in 2Q2016. This resulted in Net Other Losses of $1.9 million for 1H2017, mainly due to unrealised exchange losses from the revaluation of the Group's receivables denominated in US dollar, offsetting Realised Foreign Exchange gains recorded by our Taiwan Subsidiary; and

- The Group incurred Income Tax Expenses of $9.0 million due to certain subsidiaries in the Group being profitable for the period.

Revenue by Business Segments

For Quarter: 2Q2017 Vs 2Q2016

Business Segment	3 months ended 30.06.17 Revenue		3 months ended 30.06.16 Revenue		Change
	$'000	%	$'000	%	%
Direct Selling	28,612	51.8	39,580	76.8	(27.7)
Export	25,426	46.0	10,952	21.2	132.2
Manufacturing/Wholesale	1,245	2.2	1,036	2.0	20.2
Total	**55,283**	**100.0**	**51,568**	**100.0**	**7.2**

For Year-to-Date: 1H2017 Vs 1H2016

Business Segment	6 months ended 30.06.17 Revenue		6 months ended 30.06.16 Revenue		Change
	$'000	%	$'000	%	%
Direct Selling	51,837	51.8	64,013	73.8	(19.0)
Export	46,083	46.1	20,788	24.0	121.7
Manufacturing/Wholesale	2,107	2.1	1,993	2.2	5.7
Total	**100,027**	**100.0**	**86,794**	**100.0**	**15.2**

Revenue from the Group's core business of Direct Selling makes up 51.8% of the Group's total revenue in 1H2017. Comparing half-on-half, this translates to a decline of 19.0% and is primarily due to a decline in revenue from the Group's key market of Taiwan for this reporting period.

Momentum from the Export segment continued to gain traction as it increased 121.7% from $20.8 million in 1H2016 to $46.1 million in 1H2017. This accounts for 46.1% of the Group's total revenue and is primarily driven by growing consumers' demand for DR's Secret skin care range in China.

For 1H2017, Manufacturing/Wholesale segment increased 5.7% vis-à-vis the same period last year to $2.1 million. This is mainly attributable to the expansion of the internal sales team since end of FY2016, continuous marketing activities and participation in trade exhibitions which resulted in the sign up of new wholesalers.

As at 30 June 2016, total membership for the Group's Direct Selling business increased 1.8% to 468,479 members, when compared to 31 March 2017. Active distributors, which refers to members who have received commission for at least 6 months over the last 12 months, makes up approximately 11% of total membership.

Revenue by Geographical Locations

For Quarter: 2Q2017 Vs 2Q2016

Geographical Locations	3 months ended 30.06.17 Revenue		3 months ended 30.06.16 Revenue		Change
	$'000	%	$'000	%	%
Singapore	1,985	3.6	1,675	3.2	18.5
China	26,552	48.0	11,813	23.0	124.8
Taiwan	23,115	41.8	35,056	68.0	(34.1)
Indonesia	1,103	2.0	1,301	2.5	(15.2)
Others	2,528	4.6	1,723	3.3	46.7
Total	**55,283**	**100.0**	**51,568**	**100.0**	**7.2**

For Year-to-Date: 1H2017 Vs 1H2016

Geographical Locations	6 months ended 30.06.17 Revenue		6 months ended 30.06.16 Revenue		Change
	$'000	%	$'000	%	%
Singapore	3,588	3.6	3,069	3.5	16.9
China	47,969	48.0	22,379	25.8	114.3
Taiwan	41,800	41.8	55,277	63.7	(24.4)
Indonesia	2,222	2.2	2,701	3.1	(17.7)
Others	4,448	4.4	3,368	3.9	32.1
Total	**100,027**	**100.0**	**86,794**	**100.0**	**15.2**

Singapore

Revenue from Singapore for 1H2017 increased 16.9% to $3.6 million due to more marketing activities such as DR's Secret workshops/trainings and the participation of the Body SOS Health Carnival organized by Mediacorp earlier this year. Management will continue to build market share through our skin care offerings and implement strategies to nurture more younger distributors from its repeat consumers.

China

In 1H2017, revenue from China grew 114.3% to $48.0 million from $22.4 million compared to the same period last year. As explained earlier in the Export Segment, revenue growth in China is driven by growing market demand for our DR's Secret skin care range. These users are served by DR's Secret service outlets which are developed over the years from beauty and wellness related business and other traditional businesses.

Barring unforeseen circumstances, Management believes that demand for DR's Secret skin care range in China will continue to grow healthily for the remaining months of FY2017.

Taiwan

Revenue from Taiwan declined 24.4% in 1H2017, from $55.3 million in 1H2016 to $41.8 million, due to the high base effect in FY2016 coupled with the market measures implemented in the earlier part of 2017.

As the 9th largest direct selling company in Taiwan for FY2016 (*Source: Power Networking Monthly, Issue 290/291*), new members acquisition in central and southern Taiwan for the remaining months of the year is expected to be slower. As such, Management will increase efforts to tap into the market north of Taichung, which currently makes up 28% of the Group's total Taiwan revenue and also focus on increasing distributors' efficiency with the launch of upgraded versions of our online store and mobile apps.

Indonesia

Revenue from Indonesia decreased 17.7% from $2.7 million in 1H2016 to $2.2 million in 1H2017 due to the recent switch of strategy from weight Management line to skin care range. While the strategy has yet to gain traction, Management remains cautiously optimistic that the it is crucial to lay this foundation to capitalize on the next growth opportunity when all cosmetics are required to be indicated Halal or no-Halal by 2019.

The Management has currently put in place a Halal Assurance Standards which will be the Halal framework of the Tuas manufacturing facility, slated to come on line in FY2018.

Others

Sales in Other Markets increased by 32.1% from $3.4 million in 1H2016 to $4.4 million in 1H2017 primarily due to the increase in Hong Kong, Vietnam, Korea and Malaysia, offsetting decline from Philippines and Thailand.

Financial Position and Cash Flow

Non-current assets of the Group decreased from $26.8 million as at 31 December 2016 to $25.7 million as at 30 June 2017, mainly due to depreciation of Property, Plant and Equipment as well as amortisation of Intangible Assets.

Inventory decreased from $43.0 million as at 31 December 2016 to $41.9 million as at 30 June 2017 as the Group has improved its stock shortages issues faced previously and has sufficient buffer to sustain growth moving forward.

In line with higher revenue generated from the Export Segment, Trade and Other Receivables increased from $23.4 million as at 31 December 2016 to $42.7 million as at 30 June 2017.

Other Assets decreased from $12.1 million as at 31 December 2016 to $10.3 million as at 30 June 2017 mainly due to lower deposits paid to suppliers in line with the decreased orders made to suppliers as the Group currently maintains a sufficient level of inventory. In addition, the decline in Other Assets was due to our Indonesian subsidiary offsetting the overpaid Value Added Tax against existing outstanding tax payable as earlier disclosed during 1Q2017.

Trade and Other Payables decreased by $0.9 million to $42.9 million as at 30 June 2017 mainly due to lower accruals of freelance commissions during the period.

Total Other Financial Liabilities decreased from $7.4 million as at 31 December 2016 to $6.0 million as at 30 June 2017 due to repayment of bank borrowings during the period.

Other Liabilities were maintained at $1.0 million as at 30 June 2017 vis-à-vis 31 December 2016.

Income Tax Payable decreased from $16.5 million as at 31 December 2016 to $14.6 million as at 30 June 2017 due to payment was made for Income Tax Payable of the Company and a subsidiary during the period, offsetting additional tax provisions for the period.

Net cash flows from operating activities of $4.3 million in 1H2017 is mainly attributable to the Group's net profit before tax in 1H2017 amounting to $30.4 million, offsetting decrease in net cash flows from operations due to increase in trade and other receivables during the period. Net cash flows used in financing activities in 1H2017 of $9.5 million was mainly due to dividend paid and repayment of borrowings. As a result, Cash and Cash Equivalents in the consolidated statement of cash flows decreased to $42.6 million as at 30 June 2017.

As at 30 June 2017, the Group maintained a strong balance sheet and working capital position, with approximately $48.7 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.

With healthy growth expected for the Group's Export Segment, barring unforeseen circumstances, Management is cautiously optimistic of the Group's performance for the next reporting period and for FY2017.

While the Group's Taiwan market had enjoyed CAGR of 86.6% from FY2009 to FY2016, based on current reaction to market measures implemented earlier this year, Management expects Taiwan to maintain a stable contribution to the Group for this financial year.

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

- To set the Group's growth path moving forward, Management constantly explore M&A opportunities. In the course of assessing these opportunities, regardless of success or not, professional fees and other related expenses may be incurred;
- Compared to the last financial year, Management expects higher Administrative expenses due to increase in Management and staff to cater to our growing business, and higher depreciation expenses related to the Group's Tuas manufacturing facility and our Changsha RC which is slated to be completed in 3Q2017;
- To ensure that Tuas facilities' manufacturing capacity is sufficient to meet the Group's needs over the next 15 years, major alteration and addition works (A&A works) has to be undertaken to the current building. Higher professional fees and other related expenses may be incurred;
- Higher expenses relating to the Group's IT development, as part of our continuous effort to integrate online/offline activities on both the PC and mobile devices, manage our online presence and improve our customers' online/offline shopping experience & after sales services;

- As previously announced, conversion of the Export business to Direct Selling shall be implemented in phases.

  Upon conversion of the Export Business to Direct Selling, some or all of the following items, amongst others may be affected:

  1. Increase in Revenue and Gross Profit as a result of revenue recognition at a price higher than export price;
  2. Decline in Other Operating Income due to lower service fees that the Group will be receiving from the Group's Export Agent; and
  3. Increase in Distribution Expenses mainly attributable to commissions paid to distributors.

  The priority in the next 12 months, therefore, is to grow China's domestic market and to expand the geographical coverage of our direct selling license beyond Hangzhou to include other cities, starting with cities where we currently have already established presence; and

- Fluctuating currencies of key markets which we operate in against the SGD may positively or negatively impact the Group's performance. Management will undertake measures to mitigate any potential risks the Group is exposed to.

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 an interim one tier tax-exempt dividend of 1.5 cents per share in respect of the financial period ended 30 June 2017.

(ii) Corresponding Period of the immediately Preceding Financial Year

For the corresponding period of the immediately preceding financial year, the Company paid an interim one tier tax-exempt dividend of 2.0 cents per share in respect of the financial period ended 30 June 2016.

(b) Date payable for dividend

Date payable for dividend: 22 September 2017

(c) Book closure date for dividend

Book closure date for dividend: 5 September 2017

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.

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 six months ended 30 June 2017 to be false or misleading.

15. Confirmation Pursuant to Rule 720(1) of the Listing Manual

Best World International Limited confirms that undertakings under Rule 720(1) 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

7 August 2017