

MEDIA RELEASE - FOR IMMEDIATE RELEASE

Best World 1H2015 earnings grew 167.9% to \$2.4 million

- Revenue increased 11.1% to \$34.5 million in 1H2015 due to consistent growth in Taiwan and China
- Strong balance sheet supported by healthy cash position of \$28.4 million as at 30 June 2015
- Recommended interim dividend of 0.5 cents per share
- China direct selling license application is in progress

Singapore, 5 August 2015 – Mainboard-listed Best World International Limited (“Best World” or the “Group”), a company which specializes in the development, manufacture and distribution of premium skincare, personal care, nutritional and wellness products through its regional direct selling network and retail network in China, delivered a Net Profit Attributable to Owners of the Parent Company of \$2.4 million for the six months ended 30 June 2015 (“1H2015”), as compared to \$0.9 million for 1H2014.

Financial Highlights

S\$'000	2Q2015	2Q2014	% Change	1H2015	1H2014	% Change
Revenue	21,029	18,277	15.1	34,536	31,079	11.1
Gross Profit	15,935	12,765	24.8	26,051	22,237	17.2
<i>Gross Profit Margin</i>	<i>75.8%</i>	<i>69.8%</i>	<i>6.0p.p</i>	<i>75.4%</i>	<i>71.5%</i>	<i>3.9p.p</i>
Operating Expenses**	(13,543)	(12,023)	12.6	(23,866)	(21,415)	11.4
Profit Before Tax	2,495	1,129	121.0	2,946	1,648	78.8
Net Profit Attributable to Owners of the Parent Company	2,106	758	177.8	2,355	879	167.9
<i>Net Profit Margin</i>	<i>10.00%</i>	<i>4.1%</i>	<i>5.9p.p</i>	<i>6.8%</i>	<i>2.8%</i>	<i>4.0p.p</i>
Basic Earning per share ^{###} (Cents)	0.96	0.34	182.4	1.07	0.41	161.0

*p.p denotes percentage points ; NM denotes Not Meaningful; ** Includes distribution costs and administrative expenses*

^{###} The weighted average number of ordinary shares for 2Q2015 is 220,183,864 (2Q2014: 220,183,864) and for 1H2015 is 220,183,864 (1H2014: 215,131,144)

Revenue by Geographical Locations: 1H2015 vs 1H2014

Geographical Locations	1H2015		1H2014		% Change
	S\$'000	%	S\$'000	%	
Singapore	3,916	11.3	4,101	13.2	(4.5)
China	8,454	24.5	5,491	17.7	54.0
Malaysia	1,818	5.3	1,141	3.7	59.3
Taiwan	14,709	42.6	6,574	21.2	123.7
Philippines	2,078	6.0	9,037	29.1	(77.0)
Others	3,561	10.3	4,735	15.1	(24.8)
Total	34,536	100.0	31,079	100.0	11.1

The Group recorded revenue of \$34.5 million in 1HQ2015, representing a 11.1% year-on-year increase, due to consistent growth in Taiwan and China.

Taiwan market continues to be the Group's main revenue contributor for 2Q2015 with revenue increasing by 146.5% to \$10.2 million. The strong growth in Taiwan shall be sustainable with the effective marketing campaigns for the remaining quarters of FY2015. Revenue from China grew 62.8% year-on-year to \$5.4 million in 2Q2015, resulting from higher export orders from our China agent due to higher demand for its skincare and functional food lines.

Revenue by Business Segment: 1H2015 vs 1H2014

Business Segment	1H2015		1H2014		% Change
	S\$'000	%	S\$'000	%	
Direct selling	25,289	73.2	24,527	78.9	3.1
Export	5,599	16.2	3,074	9.9	82.1
Manufacturing/Wholesale	3,648	10.6	3,478	11.2	4.9
Total	34,536	100.0	31,079	100.0	11.1

The Group generated \$15.3 million or 72.6% of its total revenue from its core business of Direct Selling in 2Q2015, translating to a 5.6% year-on-year increase due to Taiwan market growth. Export revenue improved from \$1.4 million in 2Q2014 to \$3.8 million in 2Q2015, driven mostly by increased export orders coming from our China agent. Manufacturing/Wholesale

revenue decreased 18.8% to \$2.0 million in 2Q2015, as a result of smaller orders made by wholesalers due to large orders placed in 1Q2015.

Gross Profit margin increased to 75.8% while Profit Attributable to Owners of the Parent Company increased from \$0.8 million in 2Q2014 to \$2.1 million in 2Q2015.

Distribution Costs which comprise of freelance commissions and other sales related costs increased by 9.4%. Administrative expenses increased from \$5.2 million in 2Q2014 to \$6.0 million in 2Q2015 due mainly to an increase in staff expenses and rental costs. In addition, regulatory, licencing and professional membership expenses relating to the Group's business in certain subsidiaries also attributed to the increase in the administrative expenses for the quarter.

The Group registered a Profit Attributable to Owners of the Parent Company of \$2.4 million for 1H2015 vis-à-vis a net profit of \$0.9 million in 1H2014. The Group's earnings per share were 1.07 cents for 1H2015, as compared to 0.41 cents for 1H2014.

The Group maintained a strong balance sheet and working capital position, with approximately \$28.4 million of cash and cash equivalents as of 30 June 2015.

As at 30 June 2015, total membership declined 2.6% to 375,042 members, when compared to 31 March 2015, due to the fact that a large portion of the Group's membership in Korea was terminated in preparation for the launch of a new compensation plan following regulatory approval. The Group's Lifestyle Centres for its Direct Selling business stands at 78.

Outlook

Management is cautiously optimistic that the Group will perform positively for the remaining periods of FY2015, due to continual growth in key markets like Taiwan and China as well as the launch of several new products in the next few quarters

Group CEO, Dr. Dora Hoan commented, *"We are pleased that the strategies that we adopted for our key markets, particularly Taiwan and China, have been validated by the positive revenue and earnings growth the Group achieved in the first half of 2015. We will continue to leverage on this growth momentum and reinforce our market leadership in these markets. Our application for a Direct Selling license in China is in progress and we are moving closer to reaching our target of becoming a licensed Direct Selling company to capitalise on the growth potential in the huge market. The Group's business in China continued to exhibit consistent growth in 1H2015, with revenue up by 54.0% to hit \$8.4 million, due to higher export orders*

from our China agent. Looking ahead, we will be launching new products for the Manufacturing/Wholesale segment in the second half of 2015. We believe that the Manufacturing/Wholesale segment's strong performance will further increase brand awareness and stimulate demand in the market. Together with our China agent and current distributors in China, we look forward to the approval of Best World's direct-selling licence application to further expand our China business."

Dr. Hoan further added, "To reward our shareholders for their long-term support and trust in tandem with the good financial performance for the half-year period, the Board has recommended an interim dividend of 0.5 cents per share for the half year ended 30 June 2015."

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About Best World

Founded in 1990, Best World International is a company which specializes in the development, manufacture and distribution of premium skincare, personal care, nutritional and wellness products, to discerning customers through its direct selling network in the region and retail network in China.

In July 2004, Best World became the first direct-selling company to be publicly listed on the Singapore Stock Exchange.

Today, Best World is a key regional player with presence in Singapore, Thailand, Taiwan, Indonesia, Malaysia, Vietnam, Hong Kong, China, Korea, Philippines and Australia.

For more information, visit Best World's corporate website at www.bestworld.com.sg

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