



BEST WORLD INTERNATIONAL LTD

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

Financial Statements And Related Announcement For the 3 months ended 31 March 2016

BEST WORLD INTERNATIONAL LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2016

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE THREE MONTHS ENDED 31 MARCH 2016

(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 31.03.16 \$'000	3 months Ended 31.03.15 \$'000	Change %
Revenue	35,226	13,507	160.8
Cost of Sales	<u>(8,637)</u>	<u>(3,391)</u>	154.7
Gross Profit	26,589	10,116	162.8
<u>Other Items of Income</u>			
Interest Income	73	22	231.8
Other Operating Income	1,158	375	208.8
Other Gains	-	290	NM
<u>Other Items of Expense</u>			
Distribution Costs	(11,507)	(5,032)	128.7
Administrative Expenses	(7,070)	(5,291)	33.6
Finance Costs	-	(29)	(100.0)
Other Losses	<u>(1,637)</u>	<u>-</u>	NM
Profit Before Tax from Continuing Operations	7,606	451	1,586.5
Income Tax Expense	<u>(1,745)</u>	<u>(228)</u>	665.4
Profit from Continuing Operations, Net of Tax	<u>5,861</u>	<u>223</u>	2,528.3
Profit, Net of Tax Attributable to:			
- Owners of the Parent Company	5,963	249	2,294.8
- Non-Controlling Interests	(102)	(26)	292.3
	<u>5,861</u>	<u>223</u>	2,528.3
<u>Additional notes:</u>			
Gross Profit Margin	75.5%	74.9%	
Net Profit Margin	16.9%	1.8%	
Earnings Per Share (cents)	2.71	0.11	

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE THREE MONTHS ENDED 31 MARCH 2016

Statement of Comprehensive Income for the three months ended 31 March 2016:

	Group		Change %
	3 months Ended 31.03.16 \$'000	3 months Ended 31.03.15 \$'000	
Profit for the Period, Net of Tax	5,861	223	2,528.3
<u>Other Comprehensive (Expense) Income</u>			
Exchange Differences on Translating Foreign Operations	(800)	1,354	NM
Other Comprehensive (Expense) Income for the Period, Net of Tax	(800)	1,354	NM
Total Comprehensive Income for the Period	<u>5,061</u>	<u>1,577</u>	220.9
Attributable to:			
Owners of the Parent Company	5,125	1,595	221.3
Non-Controlling Interests	(64)	(18)	255.6
Total Comprehensive Income for the Period	<u>5,061</u>	<u>1,577</u>	220.9

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

	Group	
	3 months Ended	
	31.03.16 \$'000	31.03.15 \$'000
Depreciation of Property, Plant and Equipment	418	446
Depreciation of an Investment Property	5	5
Amortisation of Intangible Assets	244	264
Inventories Written Off	63	121
Allowance for Impairment on Inventories	4	-
Loss on Forward Contract	729	-
Unrealized Foreign Exchange Losses (Gains), Net	686	(175)
Realized Foreign Exchange Losses (Gains), Net	218	(98)
Enhanced Special Employment Credit	-	(17)
Interest Income	(73)	(22)
Interest Expense	-	29

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016

(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	
	31.03.16	31.12.15	31.03.16	31.12.15
	\$'000	\$'000	\$'000	\$'000
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	6,697	6,847	3,334	3,531
Investment Property	1,195	1,200	-	-
Intangible Assets	6,712	7,018	31	41
Investment in Subsidiaries	-	-	4,021	4,021
Deferred Tax Assets	700	749	-	-
Other Receivables	-	-	16,295	16,295
Other Financial Assets	1,896	1,990	1,896	1,990
Total Non-Current Assets	<u>17,200</u>	<u>17,804</u>	<u>25,577</u>	<u>25,878</u>
CURRENT ASSETS				
Inventories	12,840	11,515	9,133	8,309
Trade and Other Receivables	14,412	10,587	20,690	12,876
Other Financial Assets	-	-	-	-
Other Assets	9,408	7,250	6,665	4,445
Cash and Cash Equivalents	46,651	47,247	7,639	12,609
Total Current Assets	<u>83,311</u>	<u>76,599</u>	<u>44,127</u>	<u>38,239</u>
TOTAL ASSETS	<u>100,511</u>	<u>94,403</u>	<u>69,704</u>	<u>64,117</u>
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	20,169	20,169	20,169	20,169
Retained Earnings	47,978	42,015	35,410	30,362
Other Reserve	678	1,516	-	-
Equity, Attributable to Owners of the Parent	<u>68,825</u>	<u>63,700</u>	<u>55,579</u>	<u>50,531</u>
Non-Controlling Interests	<u>(1,779)</u>	<u>(1,715)</u>	<u>-</u>	<u>-</u>
Total Equity	<u>67,046</u>	<u>61,985</u>	<u>55,579</u>	<u>50,531</u>
NON-CURRENT LIABILITIES				
Deferred Tax Liabilities	2,282	2,310	429	429
Other Financial Liabilities	9	11	-	-
Total Non-Current Liabilities	<u>2,291</u>	<u>2,321</u>	<u>429</u>	<u>429</u>
CURRENT LIABILITIES				
Income Tax Payable	6,314	4,624	3,551	2,313
Trade and Other Payables	23,892	24,505	9,263	9,962
Other Financial Liabilities	7	7	-	-
Other Liabilities	961	961	882	882
Total Current Liabilities	<u>31,174</u>	<u>30,097</u>	<u>13,696</u>	<u>13,157</u>
Total Liabilities	<u>33,465</u>	<u>32,418</u>	<u>14,125</u>	<u>13,586</u>
TOTAL EQUITY AND LIABILITIES	<u>100,511</u>	<u>94,403</u>	<u>69,704</u>	<u>64,117</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 31.03.16		As at 31.12.15	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
7	-	7	-

Amount Repayable after One Year

As at 31.03.16		As at 31.12.15	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
9	-	11	-

Details of any collateral

Certain leasehold properties of a subsidiary at carrying value of \$449,000 as at 31 March 2016 (31 December 2015: \$428,000) and an investment property of a subsidiary at carrying value of \$1,195,000 as at 31 March 2016 (31 December 2015: \$1,200,000) are mortgaged to bank to secure bank facilities granted by the banks.

Plant and equipment with carrying value of \$27,000 as at 31 March 2016 (31 December 2015: \$28,000) 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 THREE MONTHS ENDED 31 MARCH 2016

(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	
	3 Months Ended 31.03.16	3 Months Ended 31.03.15
	\$'000	\$'000
Cash flows from Operating Activities:		
Profit before Tax	7,606	451
Interest Income	(73)	(22)
Interest Expense	-	29
Depreciation of Property, Plant and Equipment	418	446
Depreciation of an Investment Property	5	5
Amortisation of Intangible Assets	244	264
Loss on Forward Contract	729	-
Net Effect of Exchange Rate Changes in Consolidating Foreign Subsidiaries	(550)	965
Operating Cash Flows before Changes in Working Capital	<u>8,379</u>	<u>2,138</u>
Inventories	(1,325)	(1,270)
Trade and Other Receivables	(3,825)	1,340
Other Assets	(2,158)	(579)
Trade and Other Payables	(1,342)	(1,564)
Net Cash Flows (used in) from Operations before Tax	<u>(271)</u>	<u>65</u>
Income Tax Paid	(58)	-
Net Cash Flows (used in) from Operating Activities	<u>(329)</u>	<u>65</u>
Cash flows from Investing Activities:		
Purchase of Property, Plant and Equipment	(338)	(108)
Disposal of Property, Plant and Equipment	-	5
Interest Received	73	22
Net Cash Flows used in Investing Activities	<u>(265)</u>	<u>(81)</u>
Cash flows from Financing Activities:		
Repayment of Borrowings	-	(1,501)
Finance Lease Repayment	(2)	(107)
Interest Paid	-	(29)
Decrease (Increase) in Cash Restricted in Use	212	(4,497)
Net Cash Flows from (used in) Financing Activities	<u>210</u>	<u>(6,134)</u>
Net decrease in Cash and Cash Equivalents	(384)	(6,150)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	40,812	39,220
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	<u><u>40,428</u></u>	<u><u>33,070</u></u>

Note A :

	Group	
	3 Months Ended 31.03.16	3 Months Ended 31.03.15
	\$ '000	\$ '000
Cash and bank balances	46,651	39,322
Less: Cash pledged	(6,223)	(6,252)
Cash and Cash Equivalents in the Consolidated Cash Flow Statement	<u><u>40,428</u></u>	<u><u>33,070</u></u>

STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2016

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 2016	61,985	63,700	20,618	(449)	42,015	1,516	(1,715)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expense) for the Period	5,061	5,125	-	-	5,963	(838)	(64)
Balance at 31 March 2016	<u>67,046</u>	<u>68,825</u>	<u>20,618</u>	<u>(449)</u>	<u>47,978</u>	<u>678</u>	<u>(1,779)</u>
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	<u>57,034</u>	<u>57,900</u>	<u>20,618</u>	<u>(449)</u>	<u>34,362</u>	<u>3,369</u>	<u>(866)</u>

STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2016

Company	<u>Attributable to Owners of the Parent Company</u>			
	<u>Total Equity</u> \$'000	<u>Share Capital</u> \$'000	<u>Treasury Shares</u> \$'000	<u>Retained Earnings</u> \$'000
Balance at 1 January 2016	50,531	20,618	(449)	30,362
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	5,048	-	-	5,048
Balance as at 31 March 2016	<u>55,579</u>	<u>20,618</u>	<u>(449)</u>	<u>35,410</u>
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	<u>44,916</u>	<u>20,618</u>	<u>(449)</u>	<u>24,747</u>

NOTES TO FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2016

(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	
	2016	2015	2016	2015
At 1 January and 31 March	<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	
	2016	2015	2016	2015
At 1 January and 31 March	<u>1,573,000</u>	<u>1,573,000</u>	<u>449</u>	<u>449</u>

For the three months ended 31 March 2016 and 31 March 2015, 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 March 2016 and 31 December 2015 was 220,183,864.

The total number of treasury shares as at 31 March 2016 and 31 December 2015 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 2015.

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 31.03.16	3 months ended 31.03.15	Change %
Earnings per share of Group:			
(a) Based on weighted average number of ordinary shares on issue (cents); and	2.71	0.11	2,363.6%
(b) On a fully diluted basis (cents)	2.71	0.11	2,363.6%

For comparative purposes, the earnings per ordinary shares for the three months ended 31 March 2016 and 31 March 2015 are calculated based on the profit for the period of approximately \$6.0 million and \$0.2 million respectively.

The weighted average number of ordinary shares (excluding treasury shares) for the three months ended 31 March 2016 and 31 March 2015 is 220,183,864.

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	
	31.03.16	31.12.15	31.03.16	31.12.15
Net asset value per ordinary shares (cents)	31.26	28.93	25.24	22.95

Note: The number of ordinary shares of the Group and Company (excluding treasury shares) as at 31 March 2016 and 31 December 2015 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

Group revenue for 1Q2016 improved 160.8% compared to the same period last year due to higher revenue contribution from the Group's key markets, namely Taiwan, China and Indonesia. Profit Attributable to Owners of the Parent Company increased from \$0.2 million in 1Q2015 to \$6.0 million in 1Q2016. Other key points behind the Group's performance for 1Q2016 include the following:

- Gross profit margin for the Group increased marginally from 74.9% in 1Q2015 to 75.5% in 1Q2016;
- Interest Income increased from \$0.02 million for 1Q2015 to \$0.07 million in 1Q2016 mainly attributable to interest bearing funds by certain subsidiaries of the Group;
- Other Operating Income increased by 208.8% mainly due to higher fees received from the Group's overseas Export Agent in 1Q2016;
- In line with the increase in the Group's revenue from its core business of direct selling, Distribution Costs, which comprise of freelance commissions and other sales related expenses increased by 128.7% from \$5.0 million in 1Q2015 to \$11.5 million in 1Q2016. As a percentage of revenue, the Group's Distribution Cost declined from 37.3% in 1Q2015 to 32.7% in 1Q2016;
- Administrative Expenses for the Group saw a 33.6% increase from \$5.3 million in 1Q2015 to \$7.1 million in 1Q2016 largely due to costs related to a new RC in Kaohsiung, which are mainly depreciation and staff costs. In addition, incremental staff related expenses and increase in rental costs for the Group's offices also contributed to the increase in Administrative Expenses;
- Net Other Losses of \$1.6 million in 1Q2016 was mainly driven by losses from forward contract for hedging purposes. In addition, due to appreciation of Singapore Dollars in 1Q2016, revaluation of the Group's receivables denominated in US Dollar resulted in higher unrealized foreign exchange losses in 1Q2016.

Revenue by Business Segments

For Quarter: 1Q2016 Vs 1Q2015

Business Segment	3 months ended 31.03.16 Revenue		3 months ended 31.03.15 Revenue		Change
	\$'000	%	\$'000	%	
Direct Selling	24,433	69.4	10,014	74.1	144.0
Export	9,836	27.9	1,797	13.3	447.4
Manufacturing/Wholesale	957	2.7	1,696	12.6	(43.6)
Total	35,226	100.0	13,507	100.0	160.8

Revenue from the Group's core business of Direct Selling makes up 69.4% of the Group's total revenue. This 144.0% increase from \$10.0 million in 1Q2015 to \$24.4 million in 1Q2016 is attributable to contribution from the Group's key markets of Taiwan and Indonesia.

Revenue from the Export Segment increased from \$1.8 million in 1Q2015 to \$9.8 million in 1Q2016, largely due to the stronger demand for our products in China.

The Manufacturing/Wholesale segment recorded revenue of \$1.0 million in 1Q2016, a decrease of 43.6% compared to 1Q2015 partly due to the low summer season sales for the year.

As at 31 March 2016, total membership for the Group's direct selling business increased 2.6% to 412,904 members, when compared to 31 December 2015. Lifestyle Centres for the Group's Direct Selling business decreased from 73 as at 31 December 2015 to 66 as at 31 March 2016 due to closure of some of our Lifestyle Centres in some subsidiaries.

Revenue by Geographical Locations

For Quarter: 1Q2016 Vs 1Q2015

Geographical Locations	3 months ended 31.03.16 Revenue		3 months ended 31.03.15 Revenue		Change
	\$'000	%	\$'000	%	
Singapore	1,394	4.0	1,958	14.5	(28.8)
China	10,566	30.0	3,088	22.9	242.2
Taiwan	20,221	57.4	4,465	33.1	352.9
Indonesia	1,400	4.0	467	3.5	199.8
Others	1,645	4.6	3,529	26.0	(53.4)
Total	35,226	100.0	13,507	100.0	160.8

Singapore

Revenue from Singapore declined 28.8% to \$1.4 million for 1Q2016 from \$2.0 million in 1Q2015, partly as a result of stiff market competition and higher involvement of our Singapore top distributors in other growing key markets. Management will continue to promote brand awareness, launch new products to attract new consumers and train existing distributors to take on the role of top distributors, whom management anticipate will continue to devote more time to the other growing key markets.

China

In 1Q2016, the Group recorded a 242.2% increase in its revenue from China, primarily due to higher export orders from our China agent. In line with Management's expectation, there is an increase demand for our skin care line of products in China. Management remains cautiously optimistic about the growing demands for the Group's brands by Chinese consumers for the next few quarters.

Taiwan

In line with management's expectation, Taiwan continued to achieve strong revenue growth through a successful new product launch as well as the opening of its RC in Kaohsiung in 1Q2016. The management also successfully launched its online store last year to allow for customers and distributors to be able to place orders regardless of the long holidays e.g. Chinese New Year holidays, or being in locations not served by its 3 RCs. As a result, Taiwan recorded an increase in revenue from \$4.5 million in 1Q2015 to \$20.2 million in 1Q2016 despite the CNY holidays. This translates to an increase of 352.9% compared to the same period last year.

Indonesia

Revenue from Indonesia increased 199.8% from \$0.5 million in 1Q2015 to \$1.4 million in 1Q2016. The increase is mainly due to more active and productive distributors promoting the Group's weight management line throughout the market over the period and a series of successful promotion campaigns held during the quarter.

Others

Sales in Other Markets declined by 53.4% from \$3.5 million in 1Q2015 to \$1.6 million in 1Q2016 mainly due to lower contribution from Philippines, Thailand, Myanmar and Malaysia offsetting improvement from Hong Kong, Vietnam and Korea.

Financial Position and Cash Flow

Non-current assets of the Group decreased from \$17.8 million as at 31 December 2015 to \$17.2 million as at 31 March 2016, mainly due to depreciation of Property, Plant and Equipment as well as amortisation of Intangible Assets.

Inventory increased from \$11.5 million as at 31 December 2015 to \$12.8 million as at 31 March 2016 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 \$14.4 million as at 31 March 2016.

Other Assets increased from \$7.3 million as at 31 December 2015 to \$9.4 million as at 31 March 2016 mainly due to deposits paid for the upcoming 2016 Annual International Convention held in Macau.

Trade and Other Payables decreased from \$24.5 million as at 31 December 2015 to \$23.9 million as at 31 March 2016 due to the repayment of outstanding other payables.

Total Other Financial Liabilities of \$18,000 as at 31 December 2015 which were related to finance lease acquired by a subsidiary had been partially repaid. As a result, Total Other Financial Liabilities decreased to \$16,000 as at 31 March 2016.

Other Liabilities were maintained at \$1.0 million as at 31 March 2016 vis-à-vis 31 December 2015.

In line with higher profits experienced by the Company and certain subsidiaries of the Group, Income Tax Payable increased from \$4.6 million as at 31 December 2015 to \$6.3 million as at 31 March 2016.

Cash and Cash Equivalents in the consolidated statement of cash flows decreased marginally to \$40.4 million as at 31 March 2016.

As at 31 March 2016, the Group maintained a strong balance sheet and working capital position, with approximately \$46.7 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.

Barring any unforeseen circumstances, management is cautiously optimistic of the Group's performance in FY2016, in anticipation of continuous growth from the Group's key markets of Taiwan, China and Indonesia.

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

- While management continues to focus on organic growth from the Group's core business of direct selling, the Group constantly explores other 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;
- A weaker SGD against the USD or any currencies that the Group frequently trades in may lead to higher cost of goods for the Group;
- 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 as well as depreciation of the newly acquired Tuas property;

- Higher software license fees and implementation costs as a result of the Group's effort to improve our customers' online shopping experience and after sales services;
- Fluctuating currencies of key markets which the Group operates in against the SGD may positively or negatively 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

None

(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 period ended 31 March 2016.

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 three months ended 31 March 2016 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

11 May 2016