



BEST WORLD INTERNATIONAL LTD

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

Financial Statements And Related Announcement For the year ended 31 December 2014

BEST WORLD INTERNATIONAL LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

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CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

(Amounts expressed in Singapore dollars)

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

	3 months Ended 31.12.14 \$'000	3 months Ended 31.12.13 \$'000	Change %	12 months Ended 31.12.14 \$'000	12 months Ended 31.12.13 \$'000	Change %
Revenue	24,957	13,992	78.4	75,265	41,081	83.2
Cost of Sales	(5,716)	(3,376)	69.3	(19,275)	(9,266)	108.0
Gross Profit	19,241	10,616	81.2	55,990	31,815	76.0
<u>Other Items of Income</u>						
Interest Income	49	72	(31.9)	175	213	(17.8)
Other Operating Income	614	219	180.4	1,642	973	68.8
<u>Other Items of Expense</u>						
Distribution Costs	(9,604)	(4,653)	106.4	(28,249)	(14,335)	97.1
Administrative Expenses	(6,590)	(4,422)	49.0	(22,594)	(17,731)	27.4
Finance Costs	(40)	(2)	NM	(89)	(2)	NM
Other (Charges) Credits, Net	(1,358)	99	NM	(1,223)	998	NM
Profit Before Tax from Continuing Operations	2,312	1,929	19.9	5,652	1,931	192.7
Income Tax Expenses	(281)	(609)	(53.9)	(1,583)	(833)	90.0
Profit from Continuing Operations, Net of Tax	2,031	1,320	53.9	4,069	1,098	270.6
Profit Net of Tax Attributable to:						
- Owners of the Parent Company	2,052	1,304	57.4	4,054	1,429	183.7
- Non-Controlling Interests	(21)	16	NM	15	(331)	NM
	2,031	1,320	53.9	4,069	1,098	270.6
Additional notes:						
Gross Profit Margin	77.1%	75.9%		74.4%	77.4%	
Net Profit Margin	8.2%	9.3%		5.4%	3.5%	
Earnings Per Share (cents)	0.93	0.64		1.86	0.70	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of Comprehensive Income for the year ended 31 December 2014:

	Group			Group		
	3 months	3 months	Change	12 months	12 months	Change
	Ended	Ended		Ended	Ended	
	31.12.14	31.12.13	%	31.12.14	31.12.13	%
	\$'000	\$'000		\$'000	\$'000	
Profit for the Period, Net of Tax	2,031	1,320	53.9	4,069	1,098	270.6
<u>Other Comprehensive Income</u>						
Exchange Differences on Translating Foreign Operations	827	260	218.1	986	1,604	(38.5)
Other Comprehensive Income for the period, Net of Tax	827	260	218.1	986	1,604	(38.5)
Total Comprehensive Income for the Period	<u>2,858</u>	<u>1,580</u>	80.9	<u>5,055</u>	<u>2,702</u>	87.1
Attributable to:						
Owners of the Parent Company	2,906	1,363	113.2	5,053	2,964	70.5
Non-Controlling Interests	(48)	217	NM	2	(262)	NM
Total Comprehensive Income for the Period	<u>2,858</u>	<u>1,580</u>	80.9	<u>5,055</u>	<u>2,702</u>	87.1

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

	Group	
	12 months Ended	
	31.12.14	31.12.13
	\$'000	\$'000
Depreciation of Property, Plant and Equipment	1,634	1,334
Depreciation of an Investment Property	19	18
Amortisation of Intangible Assets	844	151
Inventories Written Off	115	250
Impairment Allowance (Reversal) on Inventories	1,198	(41)
Bad Debts Written Off	-	5
Impairment Allowance on Trade Receivables	352	-
Impairment Allowance on Other Receivables	294	-
Gain on Forward Contract	-	(42)
Unrealized Foreign Exchange (Gain) Loss, Net	(329)	1,023
Realized Foreign Exchange Gain, Net	(85)	(122)
(Gain) Loss on Disposal of Property, Plant and Equipment	(187)	8
Gain on Disposal of Assets Held for Sales	-	(1,826)
Enhanced Special Employment Credit	(20)	(3)
Interest Income	(175)	(213)
Interest Expenses	89	2

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

(Amounts expressed in Singapore dollars)

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

	Group		Company	
	31.12.14	31.12.13	31.12.14	31.12.13
	\$'000	\$'000	\$'000	\$'000
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	7,554	6,392	4,121	3,875
Investment Property	1,218	1,237	-	-
Intangible Assets	7,900	1,092	96	165
Investment in Subsidiaries	-	-	13,931	14,561
Deferred Tax Assets	396	261	-	-
Other Receivables	-	-	17,684	1,736
Other Financial Assets	-	259	-	259
Total Non-Current Assets	<u>17,068</u>	<u>9,241</u>	<u>35,832</u>	<u>20,596</u>
CURRENT ASSETS				
Inventories	7,753	5,905	5,225	4,011
Trade and Other Receivables	9,354	5,339	9,540	11,651
Other Financial Assets	259	1,015	259	1,015
Other Assets	8,712	7,111	4,192	2,224
Cash and Cash Equivalents	40,975	33,283	3,673	11,653
Total Current Assets	<u>67,053</u>	<u>52,653</u>	<u>22,889</u>	<u>30,554</u>
TOTAL ASSETS	<u>84,121</u>	<u>61,894</u>	<u>58,721</u>	<u>51,150</u>
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	20,169	17,192	20,169	17,192
Retained Earnings	34,113	31,188	24,712	26,875
Other Reserves	2,023	976	-	-
Equity, Attributable to Owners of the Parent Company	<u>56,305</u>	<u>49,356</u>	<u>44,881</u>	<u>44,067</u>
Non-Controlling Interests	(848)	(323)	-	-
Total Equity	<u>55,457</u>	<u>49,033</u>	<u>44,881</u>	<u>44,067</u>
NON-CURRENT LIABILITIES				
Deferred Tax Liabilities	1,678	248	429	152
Other Financial Liabilities	1,328	-	1,328	-
Total Non-Current Liabilities	<u>3,006</u>	<u>248</u>	<u>1,757</u>	<u>152</u>
CURRENT LIABILITIES				
Income Tax Payable	979	730	235	181
Trade and Other Payables	18,999	7,422	6,247	2,368
Other Financial Liabilities	4,719	3,500	4,719	3,500
Other Liabilities	961	961	882	882
Total Current Liabilities	<u>25,658</u>	<u>12,613</u>	<u>12,083</u>	<u>6,931</u>
Total Liabilities	<u>28,664</u>	<u>12,861</u>	<u>13,840</u>	<u>7,083</u>
TOTAL EQUITY AND LIABILITIES	<u>84,121</u>	<u>61,894</u>	<u>58,721</u>	<u>51,150</u>

BORROWINGS AND DEBT SECURITIES

(Amounts expressed in Singapore dollars)

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

Amount Repayable in One Year or less, or on Demand

As at 31.12.14		As at 31.12.13	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
4,719	-	3,500	-

Amount Repayable after One Year

As at 31.12.14		As at 31.12.13	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
1,328	-	-	-

Details of any collateral

Certain leasehold properties of a subsidiary at carrying value of \$501,000 as at 31 December 2014 (31 December 2013: \$519,000) and an investment property of a subsidiary at carrying value of \$1,218,000 as at 31 December 2014 (31 December 2013: \$1,237,000) are mortgaged to bank to secure bank facilities granted by the banks.

Plant and equipment with carrying value of \$769,000 as at 31 December 2014 (31 December 2013: Nil) were acquired under finance lease arrangements. The obligations under finance leases are secured by the lessor's charge over the leased assets.

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

(Amounts expressed in Singapore dollars)

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

	Group		Group	
	3 Months Ended 31.12.14	3 Months Ended 31.12.13	12 Months Ended 31.12.14	12 Months Ended 31.12.13
	\$'000	\$'000	\$'000	\$'000
Cash flows from Operating Activities:				
Profit before Tax	2,312	1,929	5,652	1,931
Interest Income	(49)	(72)	(175)	(213)
Interest Expense	40	2	89	2
Depreciation of Property, Plant and Equipment	437	313	1,634	1,334
Depreciation of an Investment Property	5	4	19	18
Amortisation of Intangible Assets	560	36	844	151
Loss (Gain) on Disposal of Property, Plant and Equipment	33	7	(187)	8
Gain on Disposal of Assets Held for Sales	-	-	-	(1,826)
Net Effect of Exchange Rate Changes in Consolidating Foreign Subsidiaries	625	213	785	1,601
Operating Cash Flows before Changes in Working Capital	3,963	2,432	8,661	3,006
Inventories	(677)	(578)	(881)	(554)
Trade and Other Receivables	(388)	531	(1,116)	320
Other Assets	(86)	(277)	(1,600)	(315)
Trade and Other Payables	2,319	(134)	7,333	(1,140)
Other Liabilities	-	79	-	(30)
Net Cash Flows from Operations before Interest and Tax	5,131	2,053	12,397	1,287
Income Tax (Paid) Refunded	(214)	43	(1,272)	(575)
Net Cash Flows from Operating Activities	4,917	2,096	11,125	712
Cash flows from Investing Activities:				
Purchase of Property, Plant and Equipment	(141)	(206)	(1,181)	(1,073)
Disposal of Property, Plant and Equipment	85	2	305	9
Increase in Intangible Assets	(43)	(13)	(43)	(13)
Disposal of Assets Held for Sales	-	-	-	2,914
Acquisition of Subsidiaries (Net of Cash Acquired)	75	-	(7,101)	-
Acquisition of Non-Controlling Interests	-	-	(287)	-
Decrease in Other Financial Assets	-	-	1,015	-
Interest Received	49	72	175	213
Net Cash Flows from (used in) Investing Activities	25	(145)	(7,117)	2,050
Cash flows from Financing Activities:				
Dividends paid to Equity Owners	-	-	(1,321)	(1,228)
Issue of Shares	-	-	3,085	-
Share Issue Expenses	-	-	(108)	-
Exercise of Bonus Warrants	-	*	-	*
(Decrease) Increase in Other Financial Liabilities	(1,501)	3,500	2,332	3,500
Finance Lease Repayment	(108)	-	(215)	-
Interest paid	(40)	(2)	(89)	(2)
Decrease in Cash Restricted in Use	6	-	4	-
Net Cash Flows (used in) from Financing Activities	(1,643)	3,498	3,688	2,270
Net Increase in Cash and Cash Equivalents	3,299	5,449	7,696	5,032
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	35,921	26,075	31,524	26,492
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	39,220	31,524	39,220	31,524

Note A :

	Group		Group	
	3 Months Ended 31.12.14	3 Months Ended 31.12.13	12 Months Ended 31.12.14	12 Months Ended 31.12.13
	\$ '000	\$ '000	\$ '000	\$ '000
Cash and bank balances	40,975	33,283	40,975	33,283
Less: Cash pledged	(1,755)	(1,759)	(1,755)	(1,759)
Cash and Cash Equivalents in the Consolidated Cash Flow Statement	39,220	31,524	39,220	31,524

* Denotes amount less than \$1,000

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

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	Non- Controlling Interests
						Currency Translation Reserve	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Group							
Balance at 1 January 2014	49,033	49,356	17,641	(449)	31,188	976	(323)
<u>Movements in Equity</u>							
Issue of Shares	3,085	3,085	3,085	-	-	-	-
Share Issue Expenses	(108)	(108)	(108)	-	-	-	-
Total Comprehensive Income (Expenses) for the Period	(278)	(375)	-	-	121	(496)	97
Balance at 31 March 2014	51,732	51,958	20,618	(449)	31,309	480	(226)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expenses) for the Period	919	926	-	-	758	168	(7)
Acquisition of a Non-Controlling Interest Without a Change in Control	(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)
<u>Movements in Equity</u>							
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	52,599	53,399	20,618	(449)	32,061	1,169	(800)
<u>Movements in Equity</u>							
Total Comprehensive Income for the Period	2,858	2,906	-	-	2,052	854	(48)
Balance at 31 December 2014	<u>55,457</u>	<u>56,305</u>	<u>20,618</u>	<u>(449)</u>	<u>34,113</u>	<u>2,023</u>	<u>(848)</u>

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

Group	Attributable to Owners of the Parent Company						Non-Controlling Interests
	Total Equity	Total	Share Capital	Treasury Shares	Retained Earnings	Foreign Currency Translation Reserve	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Balance at 1 January 2013	47,559	47,620	17,641	(449)	30,987	(559)	(61)
<u>Movements in Equity</u>							
Total Comprehensive Income for the Period	1,253	1,198	-	-	962	236	55
Balance at 31 March 2013	48,812	48,818	17,641	(449)	31,949	(323)	(6)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expenses) for the Period	147	304	-	-	(378)	682	(157)
Exercise of Bonus Warrants	*	*	*	-	-	-	-
Dividends	(1,228)	(1,228)	-	-	(1,228)	-	-
Balance at 30 June 2013	47,731	47,894	17,641	(449)	30,343	359	(163)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expenses) for the Period	(278)	99	-	-	(459)	558	(377)
Exercise of Bonus Warrants	*	*	*	-	-	-	-
Balance at 30 September 2013	47,453	47,993	17,641	(449)	29,884	917	(540)
<u>Movements in Equity</u>							
Total Comprehensive Income for the Period	1,580	1,363	-	-	1,304	59	217
Balance at 31 December 2013	49,033	49,356	17,641	(449)	31,188	976	(323)

* Denotes amount less than \$1,000

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

Company	<u>Attributable to Owners of the Parent Company</u>			
	<u>Total Equity</u>	<u>Share Capital</u>	<u>Treasury Shares</u>	<u>Retained Earnings</u>
	\$'000	\$'000	\$'000	\$'000
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	47,221	20,618	(449)	27,052
<u>Movements in Equity</u>				
Total Comprehensive Expenses for the Period	(2,340)	-	-	(2,340)
Balance as at 31 December 2014	<u>44,881</u>	<u>20,618</u>	<u>(449)</u>	<u>24,712</u>
Balance at 1 January 2013	48,488	17,641	(449)	31,296
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	884	-	-	884
Balance as at 31 March 2013	49,372	17,641	(449)	32,180
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	399	-	-	399
Exercise of Bonus Warrants	*	*	-	-
Dividends	(1,228)	-	-	(1,228)
Balance as at 30 June 2013	48,543	17,641	(449)	31,351
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	405	-	-	405
Exercise of Bonus Warrants	*	*	-	-
Balance as at 30 September 2013	48,948	17,641	(449)	31,756
<u>Movements in Equity</u>				
Total Comprehensive Expenses for the Period	(4,881)	-	-	(4,881)
Balance as at 31 December 2013	<u>44,067</u>	<u>17,641</u>	<u>(449)</u>	<u>26,875</u>

* Denotes amount less than \$1,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(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	
	2014	2013	2014	2013
At 1 January	204,683,147	204,680,997	17,192	17,192
Issued Shares	15,500,717	-	3,085	-
Share Issue Expenses	-	-	(108)	-
At 31 March	220,183,864	204,680,997	20,169	17,192
Exercise of Bonus Warrants	-	1,650	-	*
At 30 June	220,183,864	204,682,647	20,169	17,192
Exercise of Bonus Warrants	-	500	-	*
At 30 September and 31 December	220,183,864	204,683,147	20,169	17,192

* Denotes amount less than \$1,000

(b) Treasury Shares

	Group and Company		Group and Company	
	No. of shares		\$'000	
	2014	2013	2014	2013
At 1 January, 31 March, 30 June, 30 September and 31 December	1,573,000	1,573,000	449	449

For the three months ended 31 December 2014 and 31 December 2013, the company did not purchase its ordinary shares to be held as treasury shares.

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

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

The total number of issued ordinary shares excluding treasury shares as at 31 December 2014 was 220,183,864 (31 December 2013: 204,683,147).

The total number of treasury shares as at 31 December 2014 and 31 December 2013 was 1,573,000.

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

Not applicable.

AUDIT

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

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

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

Not applicable.

ACCOUNTING POLICIES

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current year as compared with those used in the audited financial statements for the financial year ended 31 December 2013.

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 significant impact on the Group.

EARNINGS PER SHARE

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

	GROUP					
	3 months ended 31.12.14	3 months ended 31.12.13	Change %	12 months ended 31.12.14	12 months ended 31.12.13	Change %
Earnings per share of Group:						
(a) Based on weighted average number of ordinary shares on issue (cts); and	0.93	0.64	45.3	1.86	0.70	165.7
(b) On a fully diluted basis (cts)	0.93	0.64	45.3	1.86	0.70	165.7

For comparative purposes, the earnings per ordinary shares for the 3 months ended 31 December 2014 and 31 December 2013 are calculated based on the profit for the period of approximately \$2.1 million and \$1.3 million respectively. The earnings per ordinary shares for the year ended 31 December 2014 and 31 December 2013 are calculated based on the profit for the year of approximately \$4.1 million and \$1.4 million respectively.

The weighted average number of ordinary shares (excluding treasury shares) for the 3 months ended 31 December 2014 is 220,183,864 (3 months ended 31 December 2013: 204,683,147). The weighted average number of ordinary shares (excluding treasury shares) for the year ended 31 December 2014 is 217,678,269 (12 months ended 31 December 2013: 204,682,092).

NET ASSET VALUE PER SHARE

7. Net asset value (for the Issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	GROUP		COMPANY	
	31.12.14	31.12.13	31.12.14	31.12.13
Net asset value per ordinary shares (cents)	25.57	24.11	20.38	21.53

Note: The number of ordinary shares of the Group and Company (excluding treasury shares) as at 31 December 2014 was 220,183,864 (31 December 2013: 204,683,147).

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 of \$25.0 million for 4Q2014 was higher than that achieved in the same period last year by 78.4% or \$11.0 million. For FY2014, revenue for the Group increased by 83.2% to \$75.3 million from \$41.1 million in FY2013, primarily due to strong performances from the Group's business in Taiwan, Philippines, China and Singapore.

As a result of impact from exports sales, quarter-on-quarter Gross Profit margin improved from 75.9% to 77.1%. Gross Profit margin across business segments for FY2014 is 74.4%, as opposed to 77.4% in FY2013.

Other operating income for FY2014 increased by 68.8% to \$1.6 million when compared to the last financial year as a result of higher service fees received and other miscellaneous income.

Distribution Costs, which is made up of Commissions, marketing and other sales related costs, increased by 97.1% to \$28.2 million for FY2014 due to higher commissions paid to distributors, accrued convention expenses as well as additional advertising and promotion expenses of Best World (Zhejiang) Pharmaceutical Co., Ltd. ("BWZ").

For FY2014, Administrative Expenses increased by 27.4% or \$4.9 million as compared to FY2013, mainly due to the increased depreciation and amortisation relating to the fair value of product licenses and customers' relationship from the Group's acquisition of BWZ, higher staff related costs and provision for unaccounted payments of approximately \$0.7 million in our Philippines subsidiary.

Finance cost of \$0.04 million in 4Q2014 was incurred due to newly acquired term loans and finance leases in 3Q2014.

Net Other Charges of \$1.4 million in 4Q2014 was largely attributable to impairment allowance on inventories, impairment of trade and other receivables and offsetting foreign exchange gains experienced by most of the Group's subsidiaries due to weakening of SGD.

Due to certain profitable subsidiaries, the Group recorded Income Tax Expenses of \$1.6 million for FY2014.

As a result, the Group registered a Profit Attributable to Owners of the Parent Company of \$4.1 million for FY2014 vis-à-vis a net profit of \$1.4 million in FY2013.

Revenue by Business Segments

For Quarter: 4Q2014 vs 4Q2013

Business Segment	3 months ended 31.12.14 Revenue		3 months ended 31.12.13 Revenue		Change %
	\$'000	%	\$'000	%	
Direct Selling	20,106	80.6	12,500	89.3	60.8
Export	3,449	13.8	1,492	10.7	131.2
Manufacturing/Wholesale	1,402	5.6	-	-	NM
Total	24,957	100.0	13,992	100.0	78.4

For Year-to-Date: 31.12.2014 vs 31.12.2013

Business Segment	12 months ended 31.12.14 Revenue		12 months ended 31.12.13 Revenue		Change %
	\$'000	%	\$'000	%	
Direct Selling	60,261	80.1	37,110	90.3	62.4
Export	7,936	10.5	3,971	9.7	99.8
Manufacturing/Wholesale	7,068	9.4	-	-	NM
Total	75,265	100.0	41,081	100.0	83.2

For the year ended 31 December 2014, the Group generated \$60.3 million or 80.1% of its total revenue from its core business of Direct Selling. This translates to an increase of 62.4% compared to the FY2013, primarily due to higher contributions from Taiwan, Philippines, China and Singapore.

Export revenue picked up by 99.8% from \$4.0 million in FY2013 to \$7.9 million in FY2014. This improvement was largely attributable to the growth of exports to China due to increased demand from the Group's agent in China and an overall increase in Myanmar export volume.

The Manufacturing/Wholesale segment, which is made up of sales generated by BWZ contributed \$7.1 million in revenue to the Group for the 10 months period from March to December of FY2014, constituting 9.4% of the Group's total revenue.

As at 31 December 2014, the Group's Lifestyle Centres for its Direct Selling business increased to 79, up from 56 as at 31 December 2013. Total membership as at 31 December 2014 rose 26.7% to 377,830 members, when compared to 31 December 2013.

Revenue by Geographical Locations

For Quarter: 4Q2014 vs 4Q2013

Geographical Locations	3 months ended 31.12.14 Revenue		3 months ended 31.12.13 Revenue		Change
	\$'000	%	\$'000	%	%
Singapore	2,432	9.7	2,446	17.5	(0.6)
China	4,372	17.5	784	5.6	457.7
Indonesia	514	2.1	845	6.0	(39.2)
Taiwan	11,196	44.9	5,484	39.2	104.2
Philippines	3,697	14.8	1,396	10.0	164.8
Others	2,746	11.0	3,037	21.7	(9.6)
Total	24,957	100.0	13,992	100.0	78.4

For Year-to-Date: 31.12.2014 vs 31.12.2013

Geographical Locations	12 months ended 31.12.14 Revenue		12 months ended 31.12.13 Revenue		Change
	\$'000	%	\$'000	%	%
Singapore	8,837	11.7	8,144	19.8	8.5
China	12,980	17.2	2,571	6.3	404.9
Indonesia	2,896	3.8	4,227	10.3	(31.5)
Taiwan	22,710	30.2	13,209	32.2	71.9
Philippines	18,470	24.6	2,606	6.3	608.7
Others	9,372	12.5	10,324	25.1	(9.2)
Total	75,265	100.0	41,081	100.0	83.2

Singapore

Overall for FY2014, revenue from Singapore improved by 8.5% to \$8.8 million due to increased demand for the Group's products and positive response from the marketing campaigns conducted during earlier quarters, resulting in an increase of new members.

China

Revenue from China in FY2014 increased due to new revenue contributions from the Group's Manufacturing/Wholesale business and increased export revenue to the Group's China agent.

Management shall continue to maintain the current momentum from our Manufacturing/Wholesale business by increasing marketing activities, participating in trade and consumers exhibitions in the coming year and launching an online platform by 2H2015.

Indonesia

The Indonesia market decreased by 31.5% for FY2014 to \$2.9 million vis-à-vis the same period in FY2013. This decline was largely attributable to the strategic reduction in marketing activities due to the volatility of IDR throughout the year.

Taiwan

In line with management's expectation, revenue from Taiwan increased year-on-year from \$13.2 million to \$22.7 million in FY2014. The strong performance was achieved through a series of effective marketing and promotion strategies which increased product demand as well as brought in many new and productive members.

Barring any unforeseen circumstances, management expects Taiwan to maintain this positive momentum for the FY2015.

Philippines

In 4Q2014, revenue from Philippines improved by 164.8% to \$3.7 million vis-à-vis the same period last year. Overall, Philippines recorded an improvement of 608.7% from \$2.6 million in FY2013 to \$18.5 million in FY2014. This huge jump was mainly due to its relatively low revenue base in FY2013 and increasing acceptance of the new compensation plan by its distributors. Management will continue to engage the market and stimulate demand by introducing new products and trainings from 1Q2015 onwards.

Others

Collectively, revenue from Other Markets declined by 9.2% year-on-year, as a result of growth from Malaysia and Hong Kong being offsetted by decline in sales from Vietnam and Korea.

Financial Position and Cash Flow

Non-current assets of the Group increased from \$9.2 million as at 31 December 2013 to \$17.1 million as at 31 December 2014, mainly due to an increase in Property, Plant and Equipment and Intangible Assets as a result of the consolidation of the newly acquired BWZ. The increase in Intangible Assets of \$6.8 million mainly relates to the fair value of product licenses, customers' relationship and goodwill acquired during the acquisition of BWZ in February 2014. Following the final purchase price allocation during the financial year, the Group made adjustments to the provisional goodwill originally recorded at \$2.9 million to \$0.7 million.

Other Financial Assets which consist of an existing bond investment has been reclassified to Current Assets as it is due to mature in 2015.

Inventory increased from \$5.9 million as at 31 December 2013 to \$7.8 million as at 31 December 2014 due to the consolidation of the newly acquired BWZ in conjunction with the higher expectation of demand in a number of our subsidiaries for the new year.

Trade and Other Receivables increased to \$9.4 million as at 31 December 2014 as compared to \$5.3 million as at 31 December 2013 due to other receivables from higher service fees in FY2014 as well as the consolidation of the newly acquired BWZ.

Other Assets increased by \$1.6 million as a result of increase in deposits to suppliers and tax prepayments made by a subsidiary.

Other Current Financial Assets which previously included a bond investment as at 31 December 2013 had matured in March 2014. In addition, the \$0.3 million of Other Financial Assets consist of the reclassification of bond investment listed above.

Trade and Other Payables which also include accruals, increased from \$7.4 million as at 31 December 2013 to \$19.0 million as at 31 December 2014 due to the consolidation of the newly acquired BWZ, increase in accruals which mainly consists of commission payables as well as staff and directors' bonuses.

Total Other Financial Liabilities increased to \$4.7 million as at 31 December 2014 was due to newly acquired term loans for the capital injection into BWZ and finance leases of \$0.2 million.

Other Liabilities were maintained at \$1.0 million as at 31 December 2014 vis-à-vis 31 December 2013.

Cash and Cash Equivalents in the consolidated statement of cash flows increased from \$31.5 million as at 31 December 2013 to \$39.2 million as at 31 December 2014 largely as a result of net cash flow from operating activities, the newly acquired term loan and proceeds from the issue of shares to Mr. Shi Jinyu for the acquisition of BWZ, offsetting cash used in the acquisition of our subsidiaries.

As at 31 December 2014, the Group maintained a strong balance sheet and working capital position, with approximately \$41.0 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 the 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 shall perform positively in FY2015, due to continual growth in key markets like Taiwan, Philippines and China and the launch of several new products in the next few quarters.

Factors that may affect the Group's performance in 4Q2014 and for the next 12 months are as follows:

- Inorganic growth opportunities, which allow the Group access to new markets and/or new distribution channels, exclusivity to new products and to tap into upstream value chain of businesses that are synergistic to ours;
- Increasing cost of goods due to various factors including a strengthening USD against the SGD;
- Higher depreciation expenses expected due to establishment of RCs in a new and growing markets and expansion/refurbishment plans for our Taichung RC;
- Higher administrative expenses;
- Strengthening currencies of key markets the Group operates in against the SGD may positively impact the Group's performance moving forward. Management will monitor the movement of other volatile currencies and execute measures to mitigate any potential risks whenever necessary;
- The Group's application for direct selling license in China is proceeding on schedule.

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.

Management shall be vigilant in adopting mitigating measures for any potential negative impact to the Group from the above factors.

DIVIDENDS

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

The directors are pleased to recommend a final one-tier tax-exempt dividend of 0.5 cents per share in respect of the financial year ended 31 December 2014.

(ii) Corresponding Period of the immediately Preceding Financial Year

For the corresponding preceding period, the Company paid a final one-tier tax-exempt dividend of 0.3 cents per share in respect of financial year ended 31 December 2013.

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

Date payable for dividend: 25th May 2015

(c) Books closure dates for dividend and bonus issue

Book closure date for dividend: 11th May 2015

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

Not applicable

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

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

Interested Person Transactions

Name of Interested Person	For the Year Ended 31 December 2014	
	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
Huan Beng Choon ⁽¹⁾		
- Sales	18	NA
- Freelance Commission Paid	106	NA
- Travel Allowance	1	NA

Note (1): Brother of Dr. Dora Hoan Beng Mui

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Business Segments

2014

Group

	<u>Direct selling</u>	<u>Export</u>	<u>Manufactur- ing/ Wholesale</u>	<u>Unallocated</u>	<u>Total</u>
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
External Sales and Services	60,261	7,936	7,068	-	75,265
Recurring EBITDA	5,556	1,878	509	120	8,063
Interest Income	98	65	12	-	175
Interest Expenses	(89)	-	-	-	(89)
Depreciation	(1,205)	(227)	(202)	(19)	(1,653)
Amortisation	(566)	(20)	(258)	-	(844)
Profit before Tax from Continuing Operations	3,794	1,696	61	101	5,652
Income Tax Expenses					(1,583)
Profit from Continuing Operations					4,069
<u>Other Segment items</u>					
Additions to Property, Plant and Equipment	1,316	280	15	-	1,611
Additions to Intangible Assets	14	1	28	-	43
<u>Assets and Liabilities</u>					
Total Assets for reportable segments	31,331	17,281	20,976	-	69,588
Unallocated:					
Deferred Tax Assets	-	-	-	396	396
Investment Property	-	-	-	1,218	1,218
Other Financial Assets	-	-	-	259	259
Other Assets	-	-	-	8,712	8,712
Other Unallocated Amounts	-	-	-	3,948	3,948
Total Group Assets	31,331	17,281	20,976	14,533	84,121
Total Liabilities for reportable segments	(20,263)	(3,722)	(2,022)	-	(26,007)
Unallocated:					
Deferred Tax Liabilities	-	-	-	(1,678)	(1,678)
Income Tax Payables	-	-	-	(979)	(979)
Total Group Liabilities	(20,263)	(3,722)	(2,022)	(2,657)	(28,664)

Business Segments
2013
Group

	<u>Direct selling</u>	<u>Export</u>	<u>Unallocated</u>	<u>Total</u>
	\$ '000	\$ '000	\$ '000	\$ '000
External Sales and Services	37,110	3,971	-	41,081
Recurring EBITDA	796	509	1,918	3,223
Interest Income	146	67	-	213
Interest Expenses	(2)	-	-	(2)
Depreciation	(1,125)	(209)	(18)	(1,352)
Amortisation	(102)	(49)	-	(151)
Profit (Loss) before Tax from Continuing Operations	(287)	318	1,900	1,931
Income Tax Expenses				(833)
Profit from Continuing Operations				1,098
 <u>Other Segment items</u>				
Additions to Property, Plant and Equipment	1,027	46	-	1,073
Additions to Intangible Assets	13	-	-	13
 <u>Assets and Liabilities</u>				
Total Assets for reportable segments	32,432	17,678	-	50,110
Unallocated:				
Deferred Tax Assets	-	-	261	261
Investment Property	-	-	1,237	1,237
Other Financial Assets	-	-	1,274	1,274
Other Assets	-	-	7,111	7,111
Other Unallocated Amounts	-	-	1,901	1,901
Total Group Assets	32,432	17,678	11,784	61,894
Total Liabilities for reportable segments	(10,236)	(1,647)	-	(11,883)
Unallocated:				
Deferred Tax Liabilities	-	-	(248)	(248)
Income Tax Payables	-	-	(730)	(730)
Total Group Liabilities	(10,236)	(1,647)	(978)	(12,861)

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

Please see section 8 for explanation.

16. A breakdown of sales

	Group		
	2014 (\$'000)	2013 (\$'000)	% Increase/ (Decrease)
(a) Sales reported for the first half year	31,079	17,851	74.1
(b) Operating profit after tax before deducting minority interests reported for the first half year	960	477	101.3
(c) Sales reported for second half year	44,186	23,230	90.2
(d) Operating profit after tax before deducting minority interest reported for second half year	3,109	621	400.6

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

Type of dividend	2014 (\$'000)	2013 (\$'000)
Interim paid	661	-
Final (proposed)	1,101	660
Total	1,762	660

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Financial Year Ended: 31 December 2014

Name	Age	Family relationship with any director, CEO or substantial shareholder	Current position and duties, and the year the position was held	Details if changes in duties and position held, if any, during the year
Tang Boon Leong, Jansen	37	Nephew of Group Co-Chairman, Group CEO/ Managing Director – Dr. Dora Hoan Beng Mui	<p>Division Manager, Membership & ENP</p> <ul style="list-style-type: none"> – Handles membership related matters such as distributors' bonus payments and processing new memberships – Position held since 1 September 2006 <p>Country Manager, Best World Lifestyle (HK) Company Ltd</p> <ul style="list-style-type: none"> – Overall management & operation of BWL(HK) – Position held since 1 January 2015 	NA
Tan Hui Keng, Phyllis	44	Sister-in-law of Co-Chairman, Group CEO/ Managing Director – Dr. Dora Hoan Beng Mui	<p>Division Manager, Logistics</p> <ul style="list-style-type: none"> – Handles all matters relating to purchasing, export and import – Position held since 1 September 2006 	NA

On behalf of the Board of Directors

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

Dr. Doreen Tan Nee Moi
Co-Chairman, President

27th February 2015