

**MEDIA RELEASE - FOR IMMEDIATE RELEASE**

# Best World FY2014 earnings grew 183.7% to \$4.1 million

- Revenue increased to \$75.3 million in FY2014 due to higher contributions from Taiwan, Philippines, China and Singapore
- Strong balance sheet supported by healthy cash position of \$41.0 million as at 31 December 2014
- Recommended final one-tier tax-exempt dividend of 0.5 cents per share and taking full year dividend payout to 0.8 cents per share
- China direct selling license application is proceeding on schedule

**Singapore, 27 February 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 \$4.1 million for the full year ended 31 December 2014 (“FY2014”), representing a 183.7% year-on-year (“yoy”) increase over FY2013 net profit of \$1.4 million.

## Financial Highlights

S\$'000	4Q2014	4Q2013	% Change	FY2014	FY2013	% Change
Revenue	24,957	13,992	78.4	75,265	41,081	83.2
Gross Profit	19,241	10,616	81.2	55,990	31,815	76.0
<i>Gross Profit Margin</i>	<i>77.1%</i>	<i>75.9%</i>	<i>1.2p.p</i>	<i>74.4%</i>	<i>77.4%</i>	<i>(3.0p.p)</i>
Operating Expenses**	(16,194)	(9,075)	78.4	(50,843)	(32,066)	58.6
Profit Before Tax	2,312	1,929	19.9	5,652	1,931	192.7
Net Profit Attributable to Owners of the Parent Company	2,052	1,304	57.4	4,054	1,429	183.7
<i>Net Profit Margin</i>	<i>8.2%</i>	<i>9.3%</i>	<i>(1.1p.p)</i>	<i>5.4%</i>	<i>3.5%</i>	<i>1.9p.p</i>
Basic Earnings per share <sup>###</sup> (Cents)	0.93	0.64	45.3	1.86	0.70	165.7

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

<sup>###</sup> *The weighted average number of ordinary shares for 4Q2014 is 220,183,864 (4Q2013: 204,683,147) and for FY2014 is 217,678,269 (FY2013: 204,682,092)*

### Revenue by Geographical Locations: FY2014 vs FY2013

Geographical Locations	FY2014		FY2013		% Change
	S\$'000	%	S\$'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)
<b>Total</b>	<b>75,265</b>	<b>100.0</b>	<b>41,081</b>	<b>100.0</b>	<b>83.2</b>

The 83.2% increase in FY2014 revenue to \$75.3 million was primarily due to strong performances from the Group's businesses in Philippines, Taiwan, China and Singapore respectively. This is also the highest full year revenue that the Group has registered in the past six years since FY2009.

In particular, the Group's revenue from China increased by 404.9% in FY2014 to \$13.0 million, as a result of new revenue contributions from the new business segment of Manufacturing/Wholesale business and higher exports to the Group's China agent.

### Revenue by Business Segment: FY2014 vs FY2013

Business Segment	FY2014		FY2013		% Change
	S\$'000	%	S\$'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
<b>Total</b>	<b>75,265</b>	<b>100.0</b>	<b>41,081</b>	<b>100.00</b>	<b>83.2</b>

For FY2014, 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 Philippines, Taiwan, Singapore and the PRC.

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 the PRC 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 Best World (Zhejiang) Pharmaceutical Co., Ltd. ("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 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.

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 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.

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. The Group's earnings per share were 1.86 cents for FY2014, as compared to 0.70 cents for FY2013.

The Group continued to maintain a healthy balance sheet with a cash position of \$41.0 million as at 31 December 2014 and generated positive operating cash flow of \$11.1 million from its operating activities in FY2014.

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 2014. Total membership as at 31 December 2014 rose 26.7% to 377,830 members, when compared to 31 December 2013.

## **Outlook**

Barring any unforeseen circumstances, Management is cautiously optimistic that the Group shall perform positively in FY2015, due to continual growth in key markets like China, Taiwan and Philippines and the launch of several new products in the next few quarters.

Group CEO, Dr. Dora Hoan commented, *“We are pleased with our results for FY2014 which validates the success of our strategies in markets like China, Taiwan and Philippines. We expect to maintain the current positive momentum and stimulate future demand in these markets by increasing market activities and introducing new products & trainings. 2014 is concurrently both a year of investment and growth, with performances in both new and existing key markets meeting our expectations. Going forward, we will continue to entrench our reach in emerging markets, while working relentlessly to fortify our position in our existing mature markets.*

*Entering the China market has always been our priority, given the potential of the Chinese direct selling market. Best World (Zhejiang) Pharmaceutical Co., Ltd. will help our Group to accelerate our strategy in China in enabling us to participate in this multi-billion dollar industry. The Group’s application for a Direct Selling license in China is currently proceeding on schedule and we are getting closer to our goal of becoming a licensed Direct Selling company to leverage on the tremendous growth opportunities.”*

Dr. Hoan further added, *“As an appreciation of our shareholders’ long-term support and in conjunction with the 25<sup>th</sup> anniversary of our establishment, the Board has recommended a final one-tier tax exempt dividend of 0.5 cents per share taking our total dividend for FY2014 to 0.8 cents per share. This represents a dividend payout of 43.5% of the Group’s FY2014 net profit.”*

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**BEST WORLD INTERNATIONAL LIMITED**  
26 Tai Seng Street #05-01 Singapore 534057  
Tel: (65) 6899 0088 Fax: (65) 6636 1531  
Website: [www.bestworld.com.sg](http://www.bestworld.com.sg)  
Registration No.: SG199006030Z

### **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](http://www.bestworld.com.sg)

*Issued for and on behalf of Best World International Limited*

### **Best World International Ltd**

KOH Hui  
Senior Group Financial Controller  
[huikoh@bestworld.com.sg](mailto:huikoh@bestworld.com.sg)  
Tel: (65) 6302 5009

Benjamin SOH  
Financial Analyst, Financial Planning & Analysis  
[benjamin.soh@bestworld.com.sg](mailto:benjamin.soh@bestworld.com.sg)  
Tel: (65) 6302 5087

### **Financial PR Pte Ltd**

Kathy ZHANG  
Managing Director  
[kathy@financialpr.com.sg](mailto:kathy@financialpr.com.sg)

Kamal SAMUEL  
Director  
[kamal@financialpr.com.sg](mailto:kamal@financialpr.com.sg)

Romil SINGH  
Director  
[romil@financialpr.com.sg](mailto:romil@financialpr.com.sg)

Mark LIN  
Consultant  
[marklin@financialpr.com.sg](mailto:marklin@financialpr.com.sg)