

Best World profit more than triples to \$34.6 million

- Revenue jumped 97.5% to \$200.8 million;
- Robust balance sheet backed by \$54.9 million in cash;
- Proposed final dividend of 3.0 cents per share and 2-for-1 share split
- Poised to continue growth trajectory in FY17

Financial Highlights

\$'000	4Q2016	4Q2015	% Change	FY2016	FY2015	% Change
Revenue	61,817	40,945	51.0	200,764	101,672	97.5
Gross Profit	44,417	30,611	45.1	146,967	76,867	91.2
Gross Profit Margin	71.9%	74.8%	(2.9) p.p	73.2%	75.6%	(2.4) p.p
Operating Expenses**	(29,506)	(22,962)	28.5	(102,241)	(63,302)	61.5
Profit Before Tax	18,441	9,421	95.7	50,930	16,992	199.7
Net Profit Attributable to Owners of the Parent Company	12,304	3,714	231.3	34,569	10,104	242.1
Net Profit Margin	19.9%	9.1%	10.8 p.p	17.2%	9.9%	7.3 p.p
Basic Earnings per share## (Cents)	4.47	1.35	231.1	12.56	3.67	242.2

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

The weighted average number of ordinary shares (excluding treasury shares) for 4Q2016 is 275,229,757 (4Q2015: 275,229,757) and for FY2016 is 275,229,757 (FY2015: 275,229,757). For comparative purposes, the number of ordinary shares as at 31 December 2015 was adjusted to include the issue of one bonus share for every four existing ordinary shares held for the calculation of basic and diluted earnings per share.

Singapore, 22 February 2017 – Mainboard-listed Best World International Limited (“Best World” or the “Group”), announced today a record high Net Profit Attributable to Owners of the Parent Company of \$34.6 million for the full year ended 31 December 2016 (“FY2016”), a 242.1% increase from \$10.1 million year-on-year (“YoY”), as it continues to gain momentum and extend its reach into its key markets of Taiwan and China.

The Group, which specializes in the development, production and distribution of premium skincare, personal care, nutritional and wellness products to its direct selling members, recorded a 97.5% YoY surge in revenue to \$200.8 million in FY2016, on the back of continual growth from its key markets of Taiwan and China during the year.

Revenue from Taiwan soared 118.0% YoY to \$123.0 million in FY2016 lifted by higher sales driven by increased consumption from existing active members and the reinvigoration of low consumption members.

Revenue from China, the Group's fastest growing market, surge 192.7% YoY to \$57.9 million in FY2016 resulting from higher export orders from the Group's China agent.

Overall, the Group's core business of Direct Selling grew 76.7% YoY to \$142.3 million as a result of robust growth from its key market of Taiwan and higher revenue contributions from Hong Kong. Export revenue increased 272.7% YoY from \$14.4 million to \$53.8 million, underpinned by higher demand for the Group's DR's Secret skincare range. Manufacturing/Wholesale revenue declined 30.3% to \$4.7 million YoY, due to a delay in product registration earlier this year which resulted in the postponement of a product launch.

In line with the increase of the Group's revenue, Distribution Costs, increased 82.4% YoY to \$66.4 million in FY2016. As a percentage of revenue, Distribution Costs fell to 33.1% in FY2016 as a result of higher revenue contributions from the Export segment. Administrative expenses increased 33.3% from \$26.9 million in FY2015 to \$35.9 million in FY2016, mainly due to higher staff costs and lease expenses incurred as a result of the Group's expansion in overseas markets.

The Group maintained a strong balance sheet and working capital position, with approximately \$54.9 million of cash and cash equivalents as of 31 December 2016. Earnings per share for FY2016 stood at 12.56 cents.

Outlook

Following the recent announcement of the Direct Selling License awarded from Ministry of Commerce (MOFCOM) in November 2016 and as the Group's DR's Secret skincare range continues to gain popularity, management believes that China will be its fastest growing market for at least the next three to five years, barring any unforeseen circumstances.

As the Group continues to strengthen its market presence in China, its priority in the next 12 months is to actively expand the geographical coverage of its direct selling licence beyond Hangzhou to other regions, starting with applications for cities where it currently has a presence in. For prudence, the conversion of the Group's Export business to Direct Selling shall be implemented in several phases.

Group's Co-Chairman and President, Dr. Doreen Tan commented, *"Our pursuit for sustainable growth continues to pay off as reflected in our record high earnings for FY2016. Leveraging on our proven business model and strong management experience, we are*

confident to continue our high growth trajectory in our key direct selling market of Taiwan and Export market of China and remain cautiously optimistic of our future performance.”

Group CEO, Dr. Dora Hoan added, *“We will continue to take a calibrated approach in our expansion plans to capture the mammoth opportunities present in China’s direct selling market. Against this backdrop, we look to creating and delivering greater long-term value and growth for our shareholders.”*

Dividend and 2-for-1 Share Split

In view of the Group’s record performance for FY2016 and in appreciation of shareholders’ support for the Group over the years, the Board of Directors have recommended a final one-tier tax-exempt dividend of 3.0 cents per share. Including an interim one-tier tax-exempt dividend of 2.0 cents per share, total dividend payout ratio for FY2016 represents 36.6% of the Group’s net profit.

In addition, the Board is also proposing a share split of every one existing ordinary share held by shareholders of the Company into two shares (the “Proposed Share Split”). The Proposed Share Split will further increase the market liquidity of the Group’s shares, broaden its shareholder base and provide greater affordability and accessibility for investors who wish to participate in the equity of the Company. The Proposed Share Split is subject to approval from shareholders at an extraordinary general meeting of the Company to be convened and further details of the Proposed Share Split and the EGM will be included in a circular to be dispatched to shareholders in due course.

– End of Release –

About Best World

Founded in 1990, Best World International is a Singapore registered company which specialises in the development, manufacture and distribution of premium skincare, personal care, nutritional and wellness products, to customers through its direct selling network in 12 markets. As of latest announcement, Best World has an established network of more than 435,000 members.

In July 2004, Best World became the first direct-selling company to be publicly listed on the Singapore Exchange. Today, Best World is a key regional player with subsidiaries in Singapore, Thailand, Taiwan, Indonesia, Malaysia, Vietnam, Hong Kong, China, Korea, Philippines, Myanmar and the UAE. The Company also manufactures and distributes the Aurigen line of supplements in China through drugstores in all provinces of PRC.



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