



IN THE COMPANY OF BEAUTY

ANNUAL REPORT 2023





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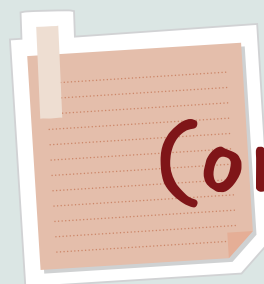
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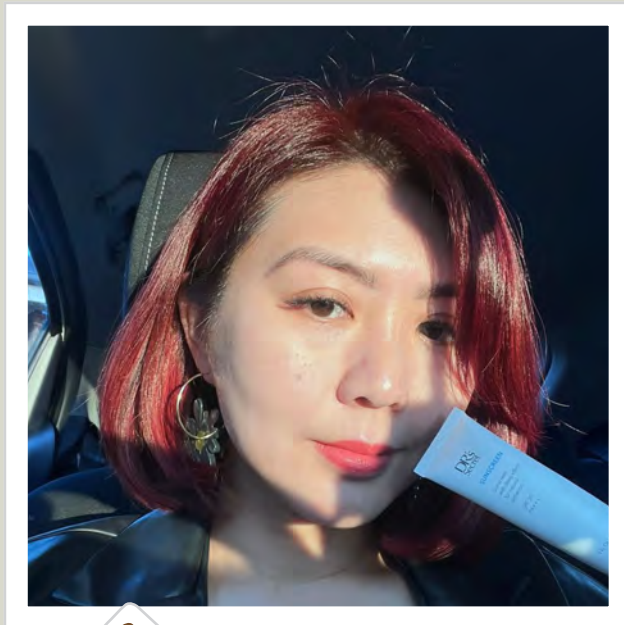
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I relied heavily on concealer and makeup to cover up all the signs of ageing on my skin.

Since I started using DR's Secret, the *milia seeds* are gone and my *pigmentation* has lightened.

It's as if I've regained my youth as my skin is now glowing, healthy and moist.



OUR TESTIMONIALS

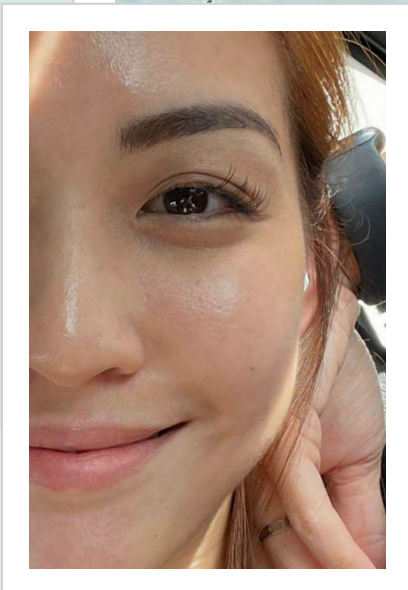
C15 Essence 7 and Sunscreen 5 are two of my favourite products.

I see an instant glow on my face after using C15 Essence 7 and Sunscreen 5 serves as a reminder to myself to *protect my skin from the sun every 3 to 4 hours.*



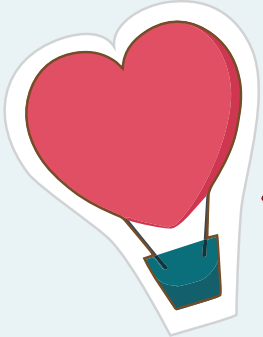


如果只能选一款
我离不开的产品
那一定是调肤液T2
非常喜欢它具备的
多种功能有很多
不同方式可以用它！
每当我的肌肤比
平时更乾燥
我就会涂3到4层
的调肤液T2
为皮肤补充水分
由於它的亲肤性
用完肌肤完全不会
拔乾或是感到刺痛
它的质地也很特殊
微稠水润质地能够
充分为肌肤补水

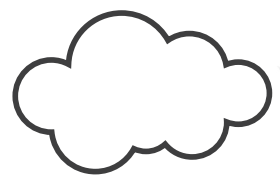


感谢皙之密让我养出梦寐以求的肌肤！













OUR
PRESENCE





Legend

- | | | | | | |
|---|----------------------------------|---|--|---|--|
|  | Corporate HQ |  | Online Store |  | BWL Innovations & Manufacturing |
|  | Franchise HQ |  | Export |  | Health Supplement Manufacturing Facility |
|  | Regional Centre/
Subsidiaries |  | Margaret Dabbs
London (Retail & Services) | | |

CHAIRMEN'S Statement



Dear Shareholders,

On behalf of the Board, we are pleased to present Best World International's ("BWI") annual report for the financial year ended 31 December 2023 ("FY2023").

FY2023 was a year of transition and cautious optimism as some of our primary markets gradually recovered from the ravages of the pandemic. As normalcy ensued, we resumed our marketing, promotional and training efforts, participated in regional tradeshows and implemented creative marketing events to boost business. Despite these, ongoing global conflicts, geopolitical tensions, and heightened inflationary pressures somewhat hampered our effort and resulted in subdued consumer spendings and increased operational costs for businesses.

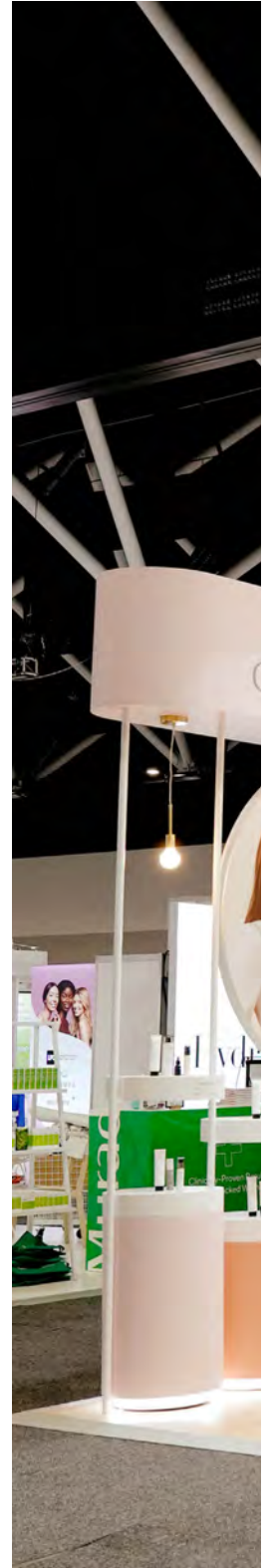
In FY2023, we prioritized our efforts towards reviving our existing markets and online markets amidst the uncertainties in the near term. We are appreciative of our encouraging results during a subdued FY2023, which were made possible by the foresight and contributions of a committed and capable team.

尊敬的股东们，

在此，我们谨代表董事会，呈现全美世界有限公司（简称全美世界）截至 2023 年 12 月 31 日（即 2023 财年）的财政年度报告。

2023 财年，我们一些主要市场逐渐从疫情的摧残中恢复过来。在这年，我们不但拿出积极转型的魄力，还保持着谨慎乐观的态度。随着一切回归正常，我们重新展开了营销、促销和培训工作，还参加了区域性商展和举行创意营销活动，以促进业务发展。尽管如此，持续的全球冲突、地缘政治紧张局势，以及通胀压力的不断升高，都在一定程度上给我们带来了阻力，并导致了消费情绪低迷和企业运营成本增加。

在 2023 财年，我们主要将精力投入到恢复现有市场和线上市场中，以因应当前的不确定环境。我们感谢团队的远见和能力，让我们在经济低迷的 2023 财年中，还能取得值得鼓舞的成绩。





Beauty Expo Australia, Sydney

Market Performance in FY2023



As the leading innovator, manufacturer and distributor of premium skin care, personal care, beauty, health and wellness brands, our revenues are primarily derived through two business segments of Direct Selling and Franchise.

Direct selling comprises sales generated from member customers through direct selling and online channels for our markets in Asia (excluding Mainland China), Australasia, North America and Middle East. Franchise comprises sales to franchisees, who are authorised to distribute our proprietary brands to customers through BWL Lifestyle Centres in market of Mainland China.

For FY2023, we recorded total revenue of S\$514.5 million, which represents a decline of 7.7% from S\$557.3 million in FY2022, primarily due to reduced contribution from our China franchise segment being impacted by weak consumer sentiment and ongoing macroeconomic challenges, and partially offset by higher contribution from the direct selling segment. As a result, profit attributable to shareholders was S\$120.4 million in FY2023, 11.7% lower compared to S\$136.3 million in FY2022. We continued to maintain our healthy margins over the period,

recording gross profit margin and net profit margins of 78.8% and 23.4% respectively.

2023 财年市场业绩表现

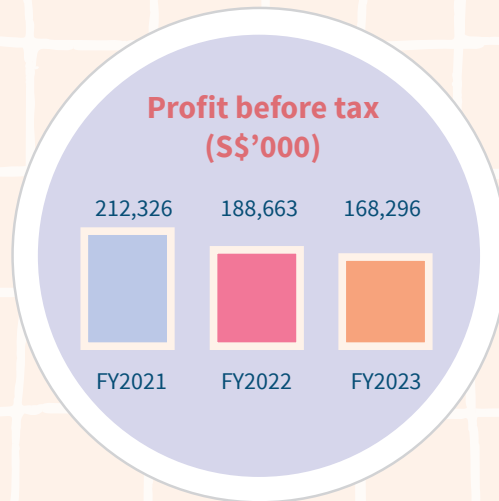
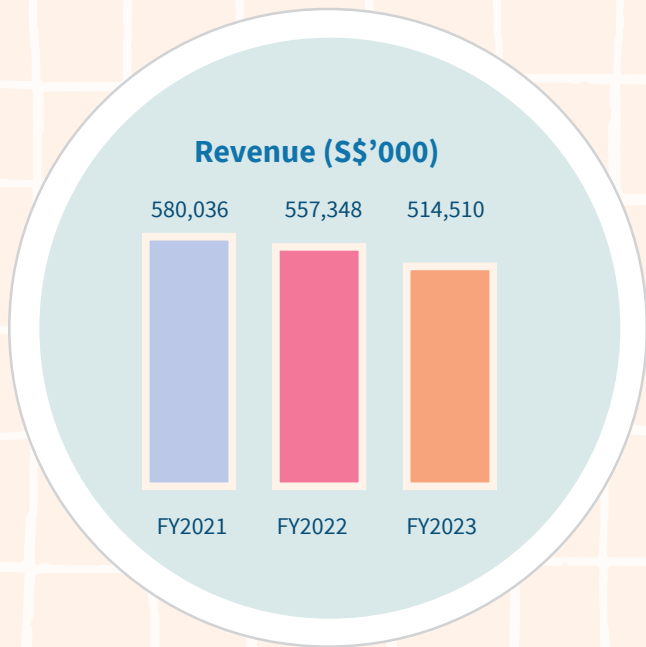
作为高端护肤、个人护理、美容、保健品牌的创新者、制造商和经销商，全美世界的营收主要源于直销和特许经营两个业务板块。

直销业务包括通过直销和线上市场，向亚洲（不包括中国大陆）、澳大拉西亚、北美和中东市场的会员客户销售产品；而特许经营业务则涉及向特许经营者销售我们的自主品牌产品，并授权这些特许经营者在中国大陆市场通过 BWL 生活馆，向客户经销我们的产品。

2023财年，我们实现了总收入 5.145 亿新元，较 2022 财年的 5.573 亿新元，下降了 7.7%。这主要是因为中国特许经营业务，受到消费者信心疲软和宏观经济挑战持续的影响，而造成业绩减少，部分抵消了直销业务板块的增长。因此，2023 财年股东应占利润为 1.204 亿新元，比 2022 财年的 1.363 亿新元，下降了 11.7%。这一时期，我们的利润率，仍继续保持健康稳定，其中毛利率和净利润率分别为 78.8% 和 23.4%。

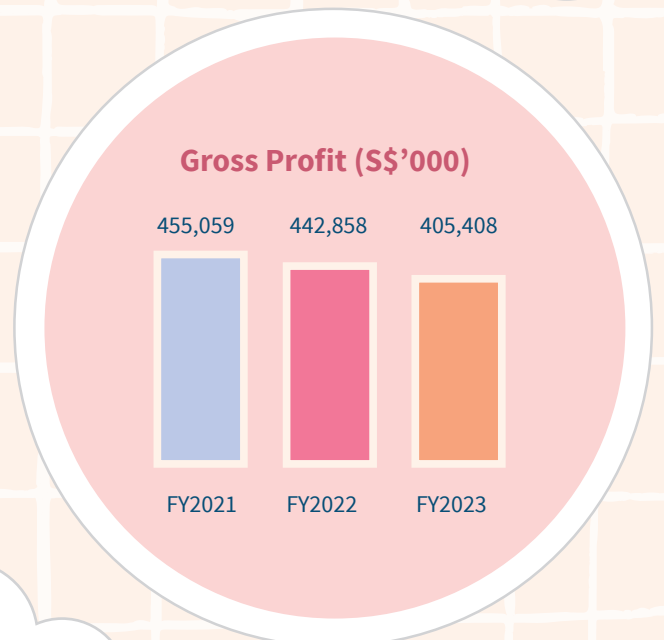
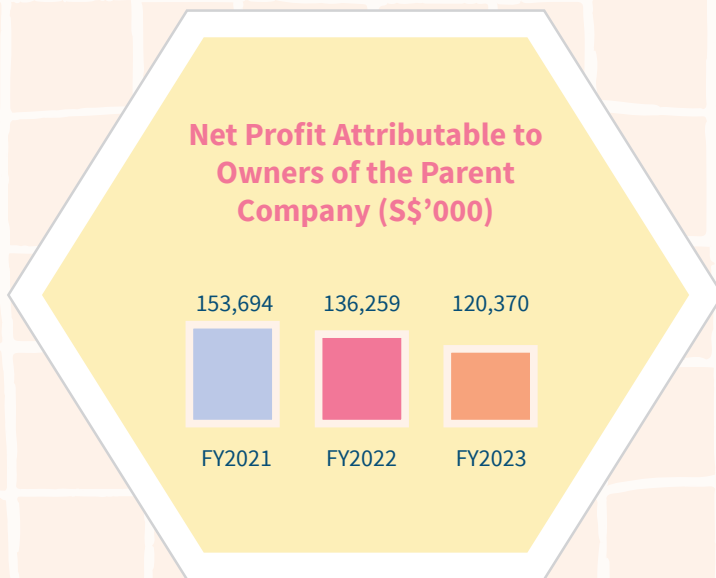
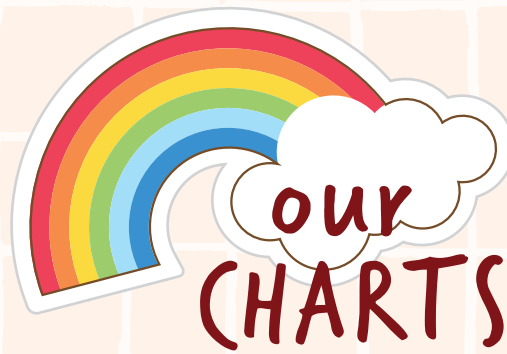


16 regional centres



10 lifestyle centres

49 franchisees



more than 40 markets*

As of 31 March 2024

* Customers over 40 markets in Asia, Oceania, Middle East, North America and Europe including subsidiaries, joint venture and associate companies.

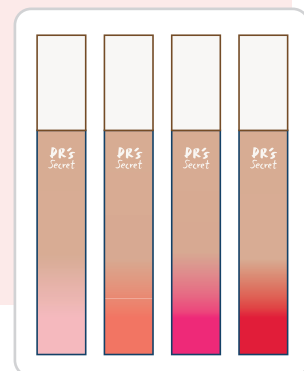


China

With a population of approximately 1.4 billion people, China remains our largest market. However, due to a sluggish economy, FY2023 revenue of S\$222.1 million still represents a significant decline of 23.9% from S\$292.1 million achieved in FY2022. We mitigated this decline by achieving growth in our other markets. Consequently, revenue generated from China in FY2023 accounted for 43.2% of total Group revenue, compared to 52.4% in the previous year.

Amidst an environment where outlook is uncertain and consumers prefer to save than to spend, we continued to innovate to bring to market quality and effective products. Between July 2023 and early FY2024, we successfully registered and launched a series of evergreen supplement formulas for our Avance range exclusively for the China market. They include our Avance Vitamin C, Avance Zinc with Vitamins A&C, Avance Iron & Folic Acid, Avance CalMag with Vitamins D&K, and Avance Omega. For our brands of Pentalab and DR's Secret, we launched the Eucalyptus Forest Body Cream and DR's Secret Aqua Boost Serum.

While we anticipate ongoing market challenges for China this year, we will actively conduct activities to further educate, engage and motivate our franchisee distributors, and at the same time push to register and launch more new products under our renowned brand of Avance, DR's Secret and Pentalab in order to engage existing customers while attracting new users. This initiative will also see that our range of wellness and beauty products are tailored to trending customers' needs while surpassing their expectations in terms of user experience.



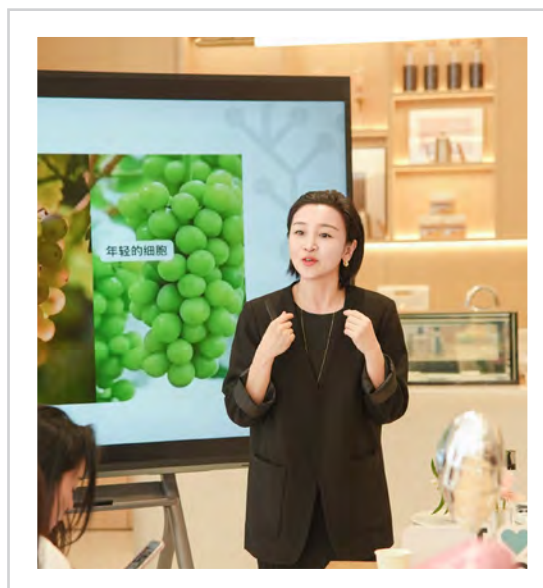


中国市场

拥有约14亿人口的中国，仍然是我们最大的市场。然而，受到经济增长乏力的影响，2023 财年的营收仅为 2.221亿新元，较 2022 财年的 2.921 亿新元，大幅下降了 23.9%。所幸，我们能够通过其它市场实现增长，从而减轻营收下滑的影响。因此，相较于前一年的 52.4%，中国市场于 2023 财年的营收，仅占集团总营收的 43.2%。

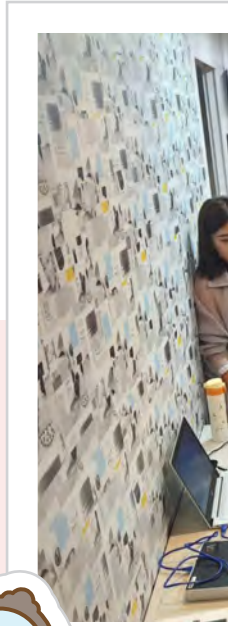
在一个前景充满不确定性的环境中，消费者更倾向于储蓄而非消费，我们只能继续努力做创新，推出高质量、高效能的产品。于 2023 年 7 月至 2024 年初期间，我们成功注册并推出了一系列维格尔多种维生素矿物质片，如：维格尔多种维生素矿物质片、维格尔多种维生素矿物质片、维格尔多种维生素矿物质片、维格尔多种维生素矿物质片、维格尔多种维生素矿物质片，以及维格尔多种维生素矿物质片。同时，针对我们的唯美工坊和哲之密品牌，我们也分别推出了唯美工坊蓝桉沁润身体乳和哲之密盈润补水精华露。

尽管我们预计今年中国市场仍将面临诸多挑战，但我们已经确立了明确的方向，决心积极开展活动，以进一步教育、吸引和激励我们的特许经营经销商。同时，我们旗下广受关注的维格尔多种维生素矿物质片、维格尔多种维生素矿物质片、维格尔多种维生素矿物质片，也努力注册并推出更多的新产品。这一方针将确保我们的保健和护肤产品能够紧跟时下流行的客户需求，甚至超越他们对用户体验的期望。





Taichung Headquarters



Taiwan

In our second largest market Taiwan, recording revenues of S\$151.4 million for FY2023. This reflects a 5.7% or S\$8.2 million improved from S\$143.2 million in FY2022 and is attributed mainly to improve performance from our distributors, who have maintained strong momentum since the market reopened.

In FY2023, we continued to train and motivate our distributors through a series of training events to help them adopt and apply our proven business building system, enabling them to expand their businesses both domestically and internationally. For the latter, our distributors in Taiwan have successfully extended their reach beyond the home market through our online fulfillment capabilities, enhancing their business performance during this period.

To meet the wellness and beauty demands of an increasingly sophisticated consumers, we launched and added new products to our product portfolio in Taiwan. The market has responded positively to our





new products, including One-Plus-A-Day, Pentalab Eucalyptus Forest Body Cream, Avance NoniMax, and DR's Secret Aqua Boost Serum, indicating their potential to become core products moving forward.

In 4Q2023, we embarked on a branding image revamp of our Taiwan headquarters in Taichung. With the completion of works for our showroom and training room in early January 2024, the new image and design language brought renewed energy to the Taichung regional centre and was launched with much positive responses from our distributors and customers. We look forward to the completion of the office floor in May 2024 which will offer our Taiwan colleagues a more conducive working environment. Building on this momentum, we will commence the refurbishment of our Taipei centre in mid-2024.

台湾市场

我们在台湾区域这个第二大市场继续取得良好进展,2023 财年的营收达到了1.514亿新元。这相比于 2022 财年的1.432亿新元,增长了 5.7% 或 820万。取得如此成绩的主要原因,是我们的经销商优异的表现,他们自市场重新开放以来,一直保持着强劲的竞争优势。

于 2023 财年,我们持续通过一系列培训活动,激励和支持我们的经销商,帮助他们运用我们成功的事业经营系统,以便在世界各地扩展业务。在国际市场上,得益于线上作业的能力,我们的台湾经销商成功地拓展了业务范围,从而在这一时期实现了良好的业绩表现。

为了迎合消费者对健康和护肤的不同需求,我们在台湾推出了一系列新产品,并加以完善。这些新品包括:维格尔多元维生素与矿物质、唯美工坊蓝桉沁润身体乳、维格尔蒙尼果和皙之密盈润补水精华露,都收获了市场热烈的反响,可见它们成为未来核心产品的潜力。

2023财年第四季度,我们着手对台湾总部进行全面品牌形象的改造,展示厅和培训室已于2024 年1月初完工。其焕然一新的形象和设计表达,为台中区域中心注入了全新的活力,受到了我们的经销商和客户的热烈好评。我们期待 2024 年 5 月完成办公楼的工程,以便给我们的台湾同事提供更为舒适的工作环境。有鉴于此,我们计划于 2024 年中旬,也将对台北区域中心进行品牌形象的改造。

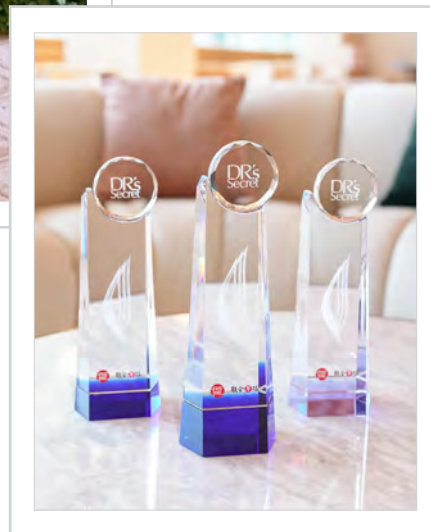


Singapore

Our Singapore business has made significant traction over the past few years whilst maintaining its position as the third largest revenue contributor. Revenue from Singapore was S\$50.8 million in FY2023, an increase of 24.5% or S\$10.0 million from S\$40.8 million in FY2022.

The growth can be attributed mainly to three key factors. Firstly, our Singapore market successfully recruited dynamic and tech-savvy distributors who brought fresh ideas and vigor to our operations. Secondly, we engaged with our distributors to train and motivate them on our business systems. Finally, we concentrated on marketing our DR's Secret line of products to stimulate growth and enhance brand visibility nationwide. These initiatives have led to a significant increase in sales and garnered multiple awards for our DR's Secret brand, including the coveted Singapore Prestige Brand Award 2023 – Regional Brands, as well as the Most Popular and Overall Winner awards in the same category. This underscores the commitment of our distributors, who have adeptly promoted our brands through various channels, resulting in increased awareness and such achievements.

In the past, skincare products typically represented about 90% of our revenue in the Singapore market. However, as the younger generation increasingly prioritises health since the COVID-19 pandemic, our health supplements have gained considerable traction





within the community, and now constitute close to 40% of our sales in Singapore. Given this promising progress, we aim to capitalise on this momentum and generate interest in our supplements in neighbouring Southeast Asian markets such as Malaysia and Indonesia.

We are pleased to update shareholders that our entire line of Avance health supplements has successfully attained its Halal certification from the Majlis Ugama Islam Singapura (MUIS). The Halal certification will allow us to springboard our presence in the markets of Indonesia and Malaysia. We have witnessed an increasing number of Muslim customers for DR's Secret, indicating potential growth and cross-selling opportunities for our supplements in these regions in the coming years..

新加坡市场

近年来,我们的新加坡业务呈现显著增长的趋势,并持续保持着作为集团第三大收入来源的地位。截至2023 财年,新加坡业务的营收达到了 5千80万新元,较 2022 财年的 4千80万新元,增长了 24.5%,增幅高达 1 千万新元。

此增长主要来自于三个关键因素。首先,我们成功吸引了一批充满活力、精通社交媒体营销的经销商加入新加坡团队,为我们的业务注入了新的活力和模式。其次,我们与经销商密切合作,通过培训和激励,帮助他们更好地掌握我们的业务系统。此外,我们还着重在社交媒体及网路推广我们的哲之密系列,以刺激增长并提升品牌在全国范围内的知名度。这些努力都大大提升了销售额,并为我们的品牌赢得了多项奖项,包括倍受瞩目的 2023 新加坡金字品牌奖 - 区域品牌,同时也在同一类别中获得“最受欢迎奖”和“总冠军奖”的殊荣。这彰显了我们经销商的坚持,他们积极通过各种渠道巧妙推广我们的产品,从而提高品牌的知名度和业绩。

过去,护肤产品通常占据新加坡市场销售额的 90% 左右。然而,经过新冠疫情的洗礼后,年轻一代对健康更加重视,我们的保健品因此引起了大众的广泛关注,目前在新加坡的销售额已经占据了近40%。这局面令人振奋,所以我们计划在邻近的东南亚市场,如马来西亚和印尼,进一步推广我们的保健品,以激发市场活力。

在此,我们很高兴地向股东们宣布,我们的整个维格尔保健品系列,已成功获得新加坡伊斯兰宗教理事会(MUIS) 的清真认证。这一认证,将有助于我们在印尼和马来西亚这两个重要市场,进一步扩大业务。迄今,购买我们哲之密产品的穆斯林顾客已经越来越多,由此看来,我们的保健品在这些区域,确实潜在着增长和连带销售的机会。





Hong Kong & Macau

As a result of the growing number of young and adept distributors alongside serving the growing number of loyal customers, we were able to achieve sustained growth for our Hong Kong and Macau markets. During the year, we launched our mobile app, BWL Mobile for both markets to broaden our customer reach and provide customers with a swift and effortless direct ordering platform. As a result, revenues from Hong Kong and Macau increased 19.4% or S\$4.0 million to S\$24.6 million in FY2023.

Since the establishment of our Macau office during the COVID-19 pandemic, we have witnessed encouraging traction and adoption of our DR's Secret range of beauty and healthcare merchandise. Building on this momentum, we held our inaugural 2023 convention for Macau in July 2023. We also launched various training subsequently. The response has been favorable, and we anticipate further growth in sales ahead.





AWS training

港澳市场

我们一直都努力经营现有客户群，随着客户的持续扩增，年轻且技术娴熟的经销商也不断加入我们的行列。因此，我们成功实现了香港和澳门市场业绩的持续攀升。在过去的一年中，我们推出了全美迈博 (BWL Mobile) 手机应用程序，为这两个市场扩宽了客户群的同时，也为客户提供了一个方便、无障碍的直购平台。因此于 2023 财年，港澳市场的营收增长了 19.4% 或 400 万新元，达到了 2 千 460 万新元。

自从我们在新冠疫情期间成立了澳门办事处以来，我们就见证了当地市场对暂之密系列护肤和保健商品的关注和喜爱。借此契机，我们于 2023 年 7 月，举办了澳门的首次年度盛会，也接着着手推出各类培训系列。鉴于该活动及培训的反响非常热烈，我们预计未来的销售将实现进一步增长。

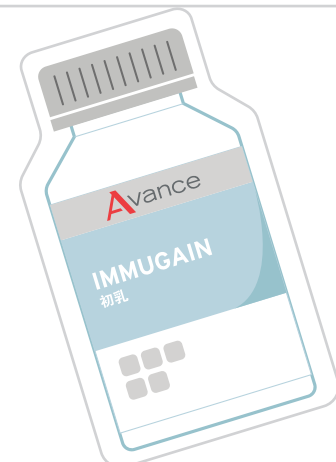


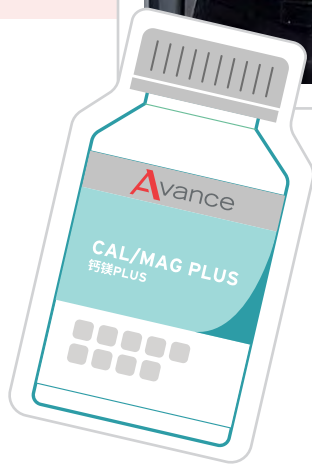


Future-Proofing Our Business: **Advancing Skills and Knowledge**

Our specialised trainings play a pivotal role in improving distributors' effectiveness. To this end, we constantly improve the quality of our online and in-person training and update the training contents to elevate distributors' knowledge, skills, and capabilities. We have also developed an online knowledge repository of training recordings for the convenience of staff and distributors who are keen to upgrade their skills and knowledge on flexible arrangements.

The flexibility and agility of our training programmes are reflected in our ability to deploy trainers across different markets in the Asia Pacific region. For instance, BWL Singapore and BWL Malaysia benefited from the support of trainers from Taiwan, to administer our Avance Wellness Studio (AWS) training. AWS seeks to strengthen the confidence of distributors who are already actively promoting health supplements and would like to be certified as AWS consultants. The training empowers distributors with product knowledge and skills to deliver AWS service excellence, raise awareness of health supplements, and drive sales of health supplements.





持续发展:技能与知识并重

在提高经销商绩效方面,我们的专业培训扮演着至关重要的角色。为此,我们不断优化线上和线下培训的品质,并及时更新培训内容,以提升经销商的知识、技能和能力水平。另外,我们还建立了线上学院,收录了各种培训视频,以便员工和经销商根据自己的时间安排,来提升技能和知识。

我们的培训课程展现了灵活性和机动性,这使得我们能够在亚太地区的不同市场上调派讲师。例如,新加坡和马来西亚市场得到了来自台湾区域讲师的支持,以开展维格耳听诊室 (Avance Wellness Studio – AWS) 培训。对于那些积极推广保健品,并希望获得 AWS 顾问资格的经销商, AWS 就有望增强他们的信心。这培训赋予了经销商有关产品的知识和技能,使他们能够刚好地提供卓越的 AWS 服务,加深对保健品的认识,并推动销售。





Driving Growth: Online and Offline Strategies



K-Beauty Expo Korea

Online Markets

Our business model for our online markets of Australia, New Zealand, Canada, Japan and the United States, etc., allows us to be able to support our distributors and users in a cost-effective yet robust model.

Moving forward, we anticipate further growth from our online markets. Furthermore, we will extend our online system into key markets within the EU region, following the completion of product registration in the EU in early FY2024.

Offline Events

For our online markets of Australia and the US, we held offline events to engage our loyal users face-to-face and to drive sales. In FY2023, we organized two major "Fans of DR's Secret" conferences – one in Melbourne, and the other in Las Vegas, of which both were well received by distributors and customers alike.

To enhance our brand visibility, we made our debut appearance at Beauty Expo Australia, the country's largest beauty trade show and K-Beauty Expo Korea 2023. On both occasions, our booth garnered significant attention, generating hundreds of inquiries from visitors. These participations allowed us to showcase the highly successful DR's Secret line to industry practitioners and skin care users in those markets. Encouraged by the outcome, for FY2024, we intend to participate in tradeshow in Australia, Korea, and the US to build our profile and solidify our position as contenders in health and beauty industry in those markets.



Photo booth at "Fans of DR's Secret" Las Vegas





Beauty Expo Australia, Sydney

促进增长:线上与线下并驱

线上市场

我们已在澳洲、新西兰、加拿大、日本和美国等地区的线上市场,采取了适宜的业务模式,能够以高成本效益和稳健的方式,给我们的经销商和用户提供支持。

展望未来,我们预计线上市场将持续蓬勃发展。另外,于 2024 财年初完成欧盟产品注册后,我们计划将我们的线上系统,进一步扩展到欧盟地区的主要市场。

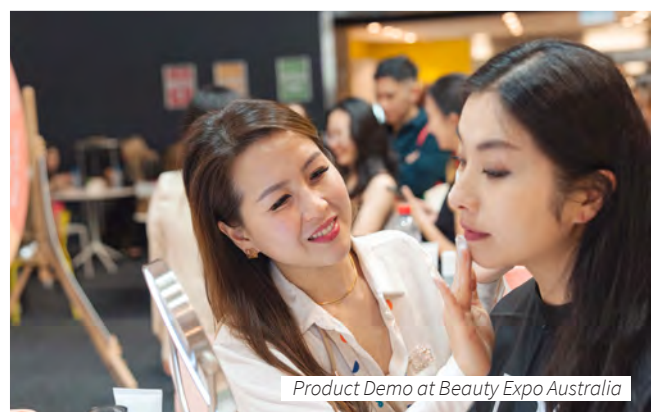
线下活动

针对澳洲和美国区域的线上市场,我们积极举办线下活动与忠实用户面对面互动,推动销售。于2023 财年,我们成功举办了两次盛大的“皙之密密粉节”,分别在澳洲的墨尔本和美国的拉斯维加斯,这两次活动都受到了经销商和客户的热烈欢迎。

为了增强品牌知名度,我们首次参加了澳洲国际美容展 (Beauty Expo Australia) 和 2023 年的韩国首尔美容展览会 (K-Beauty Expo)。在这两个展会上,我们的展台引起了广泛关注,并吸引了数百名参观者的咨询。这些活动的参与,使我们有机会向这些市场的行业者和护肤品用户,展示我们引以为傲的皙之密系列产品。在取得这些成果的鼓舞下,我们计划在 2024 财年,继续参加在澳洲、韩国和美国举办的贸易展,以提升我们的品牌形象,并巩固我们在这些市场保健和美容行业中的地位。



"Fans of DR's Secret" Las Vegas



Product Demo at Beauty Expo Australia

Innovation and Quality Manufacturing



Tuas Facility

During the year, we successfully achieved our target of manufacturing three SKUs from our Tuas Facility. They include DR's Secret Aqua Boost Serum, Aestier Emulsion and Aestier Eye Cream. Following this, we intend to add another three to four products in FY2024 to the existing DR's Secret line and introduce two new products in FY2025.

On the certification front, our Tuas Facility was accorded the ISO 22716 certification in January 2023. This ISO certification is equivalent to a GMP manufacturing license, which is a requirement for products made in our Tuas Facility to be registered in the various markets around the world. On top of our ISO certification, we also completed the audit for GMP certification by Health Science Authority (HSA) and was awarded with the certificate in January 2024. This means that we are eligible to register the products we manufacture globally.

With the GMP certifications attained, our next goal is to be audited for halal certification in 1Q2024. The halal certification will put us in an advantageous position when we engage the sizeable Muslim customers of the Malaysia, Indonesia, and Middle Eastern markets by offering Halal-certified DR's Secret.

With DR's Secret as one of the prominent brands in Asian skin care markets, investments are still required for the facility to maintain our brand position and to continue to innovate and create value for our users and distributors. To this end, we are also exploring opportunities for government assistance and grants.



大士工厂

在过去的一年中,我们大士工厂实现了制造三种产品品项 (SKU) 的目标,其中包括皙之密盈润补水精华露、熙黛尔嫩肤乳和熙黛尔活奕眼霜。接下来,我们计划于 2024 财年为现有的皙之密系列新增三到四款产品,2025 财年并推出两款新产品。

我们的大士工厂于 2023 年 1 月,取得了 ISO 22716 认证。这相当于 GMP 生产许可证,确保我们在大士工厂制造的产品,可以在世界各地市场申请注册。除了 ISO 认证外,我们还通过了新加坡卫生科学局 (HSA) 的 GMP 认证审核,并于 2024 年 1 月获得了证书。这意味着,我们有资格在全球注册我们生产的产品。

随着我们成功获得了 GMP 认证,紧接着的一个重要目标,就是要在 2024 财年第一季度通过清真认证审核。获得清真认证,将有利于我们在马来西亚、印尼和中东等穆斯林客户庞大的市场中,推广皙之密产品。

作为亚洲护肤品市场的领先品牌之一,意识到品牌形象的重要性,我们将继续投资以巩固皙之密的市场品牌地位,并为用户和经销商提供更多创新和价值。因此,我们也正积极寻求政府援助和资助的机会。



New logistic hub in Ang Mo Kio

In January 2024, our teams from supply chain, quality assurance & quality control, health supplements packaging and online fulfillment teams were relocated to their new premise in Ang Mo Kio, Singapore. The new premise, also called our Supply Chain & Quality Centre (SQ) has the capacity to accommodate up to 1,000 pallets and allow us to manage the increasing volume of orders from our online stores serving Singapore and various online markets.

With the new facilities in the new SQ Centre, our colleagues will be in a much better position to provide our customers with an enjoyable and delightful shopping/user experience, from the moment they make a purchase, and delivery to the excitement of receiving and unboxing their products.



宏茂桥全新物流中心

2024年1月，我们的供应链、质量保证与质量控制、保健品包装和线上订单处理工作团队，已迁至位于新加坡宏茂桥的全新办公地点。这个地点被称为我们的供应链与品控(SQ)中心，具备高达1,000个集装架的仓储能力，以更好地应付和管理新加坡和各区域网购商城订单量不断增长的情况。

有了全新的SQ中心，我们的同事们将能够为顾客提供更加快捷的购物和使用体验，确保客户从购买产品的那一刻开始，一直到收到并打开产品时，全程都充满喜悦。

Delivering Success Through Quality Products

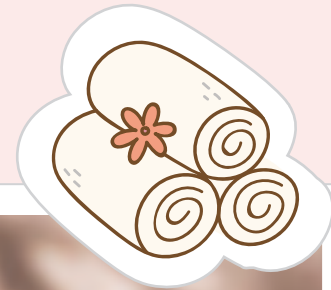
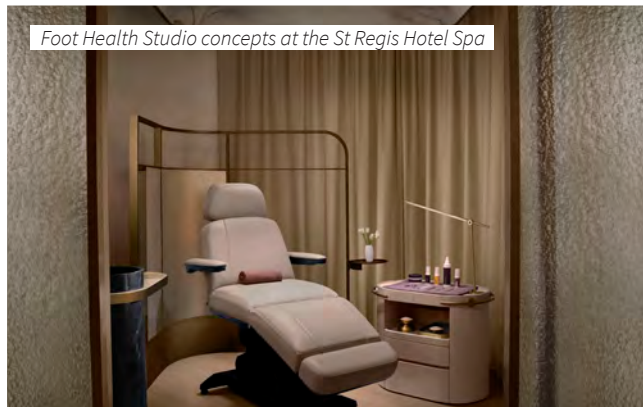
Margaret Dabbs London

Our brand Margaret Dabbs London® (MDL), managed by our joint venture company Pedal Pulses (PP), offers premium clinical services and products for hands, feet, and legs across major markets in Europe and the Middle East. As a leading British beauty brand, MDL has become synonymous with high quality luxury treatments, clinical services, and products in wellness care for hands, feet, and legs. Despite the weak economic performances of the European and UK markets, MDL continued to gain traction and recorded a 23% increase in revenue in FY2023.

The success of our MDL clinics are attributed not only to the quality of our products and services but also to the proficiency of our dedicated and highly qualified podiatrists, beauty therapists, and foot health practitioners. PP's effectiveness in retaining and motivating employees is supported by a well-established roadmap for career progression, training, and reward system. This strategic approach has significantly enhanced the performance of the MDL clinics over time.

Following the achievements of MDL clinics in the UK, management is currently working towards extending the brand's clinic footprint internationally. Currently, talks are in progress with potential business partners in Saudi Arabia, South Africa, Australia, US, Turkey, Finland, India, Guatemala, and Singapore.

We are also delighted to announce the successful launch of our inaugural Foot Health Studio concepts at the St Regis Hotel Spa in Singapore in February 2024. The introduction of this brand-new concept was met with a positive response from the market, indicating a promising interest and demand for this offering for other markets.



Our effort to promote brand visibility and boost sales for the MDL line of products is driven through various marketing channels. The performance of our QVC channels, notably in the UK and Germany, remains strong. Additionally, we have plans to extend our product offerings to QVC Japan in the coming months. The debut of our booth at the TFWA Asia Pacific Exhibition & Conference and TFWA World Exhibition in Cannes 2023 proved successful, leading to the addition of listings within our airline partners' portfolio. Furthermore, it attracted considerable attention from domestic distributors, showcasing promising prospects for future partnerships.

We continue to drive product innovation to meet the demands of an increasingly sophisticated customer base. During the year, we introduced new products such as our Nail Strengthener, Bath Salts, and Scented Candles. Development of other new products are also progressing on schedule, and we expect to roll them out in 3Q2024.



Celligenics

In 2023, Celligenics achieved significant milestones. They initiated clinical trials in collaboration with the West China Hospital of Si Chuan University to prepare for their wound healing therapy trials. Additionally, Celligenics filed for a new patent and also successfully achieved key deliverables in its development of stem-cell derived active ingredients for cosmeceutical applications. Lastly, Celligenics formed partnerships with veterinary clinics to collect animal umbilical cords, with several successful cord deliveries. These achievements collectively demonstrate Celligenics' progress in regenerative medicine and innovative healthcare solutions.

For 2024, amongst other key objectives to meet, we also look forward to Celligenics' launch of their first cosmeceutical product, in partnership with Best World.

品质铸就成功

我们旗下的品牌Margaret Dabbs London (MDL), 由我们英国联营公司 Pedal Pulses (PP) 管理, 在欧洲及中东市场专门提供手足腿护理和保养服务及产品。作为英国领先的美容品牌, MDL已成为高品质奢华护理的代名词, 专注于提供手部、足部和腿部的临床服务和产品。尽管欧洲和英国市场的经济环境疲软, 但MDL于2023财年仍然取得了良好的发展, 营收增长了23%。

MDL诊所的成功, 不仅源自我们产品和服务的卓越质量, 还得益于我们一流的足病学家、美容师和足部健康护理专业人士。PP通过完善的职业发展、培训和激励机制, 有效地维持并激发员工的积极性。经由这一策略, PP显著地提升了MDL诊所的业绩。

在MDL诊所在英国取得成功, 管理团队目前正致力于扩展该品牌的国际诊所业务。目前, 我们正在与沙特阿拉伯、南非、澳洲、美国、土耳其、芬兰、印度、危地马拉和新加坡的潜在商业合作伙伴进行商谈。

我们也很高兴地宣布, 我们于2024年2月在新加坡圣瑞吉酒店的水疗中心, 成功推出了首个足部健康工作室概念。这全新概念受到了市场的积极反响, 可见其它市场对此服务的兴趣和需求也不容小觑。

我们致力于通过各种营销渠道, 提升MDL产品线的品牌知名度和销售业绩。我们在英国和德国的QVC频道表现依然出色, 而且我们计划未来几个月将产品扩展到日本的QVC。我们首次参加了2023年的世界免税协会-亚太免税展览会和会议, 以及世界免税协会-全球免税品展会在戛纳, 并且取得成功。由于我们表现出色, 我们的产品成功加入了航空合作伙伴的产品组合中。此外, 我们的参展也展示了未来合作关系的良好前景, 吸引了国内经销商的相当关注。

为了满足不断变化的客户需求, 我们持续推动产品创新。在过去一年中, 我们推出了一些新产品, 例如: 指甲增强剂、浴盐和香氛蜡烛。同时, 我们也在按计划开发其它新产品, 并计划于2024财年第三季度推出。

汐漵

在2023年, 汐漵 (Celligenics) 取得了一系列重要进展。首先, 他们与四川大学华西医院合作, 启动了临床试验, 为评估其在伤口愈合治疗方面的效果做准备。其次, 在将干细胞衍生活性成分应用于化妆品方面, 汐漵申请了一项新的专利, 并且取得了关键的进展。最后, 汐漵与兽医诊所建立了合作关系, 以收集动物脐带, 并完成了多次脐带的收集和交付。这些成就, 充分展现了汐漵在再生医学和创新医疗领域的进步。

展望2024年, 除了其它关键目标以外, 我们还期待汐漵与全美世界合作, 共同推出首个医学美容产品。

Corporate Social Responsibility

Since our establishment, Best World has unwaveringly embraced corporate social responsibility, placing a particular focus on educational philanthropy. This commitment remains at the core of the Group's mission, as it allocates substantial human and financial resources to advance these endeavors.

In 2018, we completed and opened the first Best World Hope Primary School in Hunan, China. Since then, our commitment has remained steadfast, with a dedication to complete one Best World Hope Primary School every year. We firmly believe in the transformative power of education, shaping individual lives and futures. To date, we are proud to announce the completion of six Best World Hope Primary Schools in Hunan, Yunnan, Sichuan, Henan, and the latest addition in Shaanxi, completed in March 2023. Today, we have devoted more than RMB 3.2 million into the construction of these schools in China. In August 2023, we also launched our inaugural art summer camp in these schools, inviting distinguished and experienced educators from Beijing and Hunan to use music as a catalyst to unlock the artistic potential of these children.

In August 2023, in partnership with The Direct Selling Association of Hong Kong (HKDSA), BWL Hong Kong's distributors and employees enthusiastically took part in Tung Wah Group of Hospitals (TWGHs) Flag Day, to raise funds for vital social welfare and education services. We also organized a special outing for pupils from the Tung Wah Group of Hospitals Chan Han Nursery School to visit The Noah's Ark. On this enriching day trip, we also presented thoughtful gifts to all the children at the nursery school. These efforts represent our commitment to positively impacting child development and community well-being.



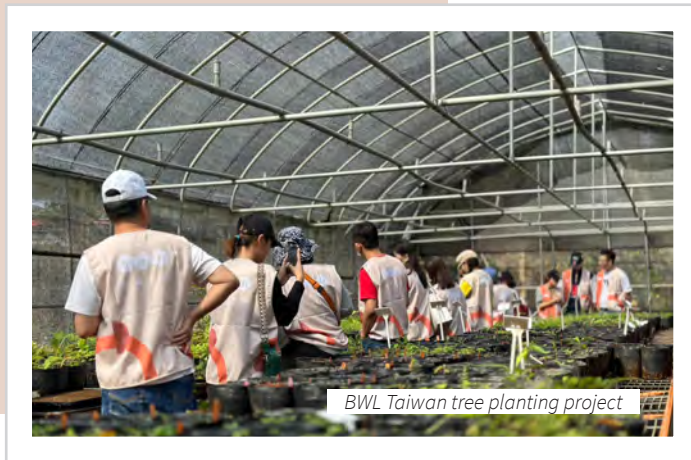
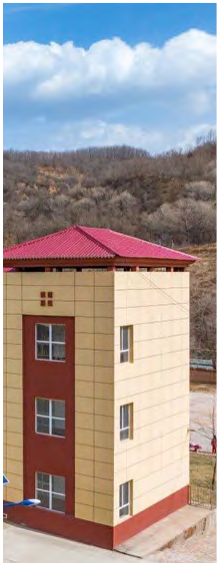


BWL Taiwan tree planting project

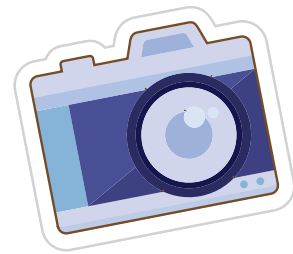
waste from the river, positively impacting the local environment. In another commendable endeavour, BWL Taiwan extended its support to the Taiwan Forest Restoration Association for their Dadu Mountain Tree Planting Project with a donation of NT\$250,000. This donation facilitated the successful repotting of around 4,000 tree seedlings, representing 18 different species.

Our team in BWL Singapore partnered with the Fridge Restock Community (FRC), an organization dedicated to rescuing “ugly” vegetables and fruits. FRC distributes these rescued items to community fridges and distribution points situated in residential neighborhoods. In total, we sponsored the operational costs for three food-rescues missions, with which we successfully salvaged an estimated 7,700 kg of “ugly” fresh produce.

Our commitment to corporate social responsibility drives us to give back to society and make a positive impact. By continuing these efforts, we aspire to foster positive change, address societal needs, and contribute to the betterment of our shared world.



BWL Taiwan tree planting project



At BWL Taiwan, we demonstrated our commitment to social responsibility through several meaningful initiatives. First, we donated NT\$350,000 to the Yawen Children’s Listening and Chinese Education Foundation, which focuses on empowering hearing-impaired children through developing their listening and speaking skills. The foundation also strives to raise social awareness about the unique challenges faced by these children. Besides the above, BWL Taiwan, along with our distributors, contributed NT\$250,000 in support of The Society of Wilderness in Taichung. Beyond financial aid, over 100 employees volunteered for the clean-up of the Fazi River in June 2023. Their efforts resulted in the removal of a substantial 144 kilograms of

企业社会责任 (CSR)

自公司成立以来, 全美世界一直坚定地履行企业社会责任, 尤其特别关注教育慈善事业。 这一直是我们集团的核心使命, 所以为了实行这一责任, 我们投入了大量人力和财力资源。

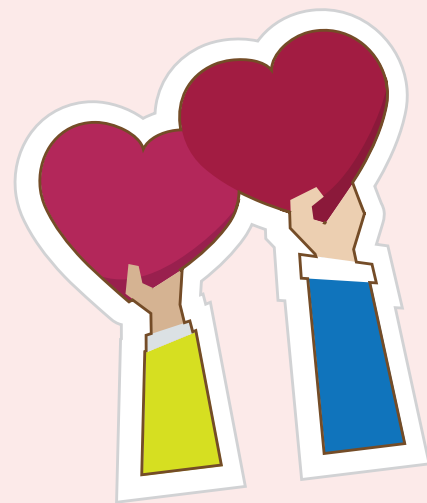
2018 年, 我们完成并揭幕了中国湖南省第一所全美世界希望小学。 从那时起, 我们就一直坚守约定, 每年建成一所全美世界希望小学。 我们深信, 教育的力量能够改变个人的生活和未来。 我们很自豪地宣布, 截至目前, 全美世界在中国湖南、云南、四川、河南及陕西省, 分别建成了六所全美世界希望小学, 其中陕西最新的一所已于 2023 年 3 月竣工。 至今, 在建设这些学校方面, 我们已经投入了超过 320 万元人民币。 2023 年 8 月, 我们还在这些学校举办了首次“艺启童行”夏

令营活动，并邀请了来自北京和湖南的杰出资深教育家，以音乐为引，挖掘及解锁这些孩子们的艺术潜能。

同样于 2023 年 8 月，我们与香港直销商协会 (HKDSA) 合作，全美世界香港的经销商和员工积极参与了香港东华三院 (Tung Wah Group of Hospitals) 卖旗日的募捐活动，为重要的社会福利和教育服务筹集资金。我们还给东华三院陈娴幼儿园 (Tung Wah Group of Hospitals Chan Han Nursery School) 的小朋友们安排了一次特别的郊游，带他们去了挪亚方舟主题乐园。在那丰富充实的一日游当天，我们还给每个小朋友送上小礼物。这些努力，都充分展示了我们对儿童成长和社区福祉的积极。

至于全美世界台湾，我们通过几项意义之举，展示了我们对社

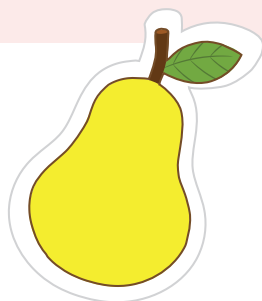
会责任的努力。首先，我们向雅文儿童听语文教基金会，捐赠了35万元新台币。该基金会致力于帮助听障儿童培养听力和口语技能，同时提高社会对这些儿童所面临的特殊挑战的认识和理解。此外，全美世界台湾也与我们的经销商一起捐赠了 25万元新台币，支持台中荒野保护协会。除了提供财务援助外，我们超过 100 名员工还于 2023 年 6 月，自愿参与了筏子溪的常态净溪活动。经过他们的努力，最后成功从河流中捡拾出了重达 144 公斤的垃圾，为守护当地环境尽了一份力。另外，全美世界台湾还向台湾山林复育协会的大肚山天然林



复育植树计划，捐款25万元新台币。这笔捐款促成了约 4,000 株树苗的重新种植，其中覆盖了 18 种不同的树种。

另一边厢，全美世界新加坡团队则与社区冰箱团队 (Fridge Restock Community, FRC) 合作。该团队致力于“拯救”卖相欠佳而被丢弃的蔬菜和水果，然后将这些蔬果分发给住宅区的民众。为此，我们总共赞助了三次蔬果拯救任务的运营成本，并通过这些活动成功拯救了约 7,700 公斤的“丑陋”却新鲜的农产品。

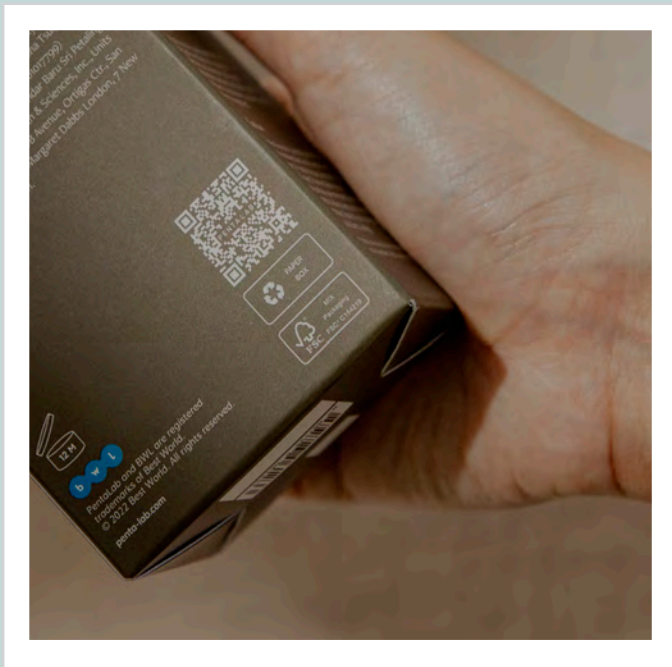
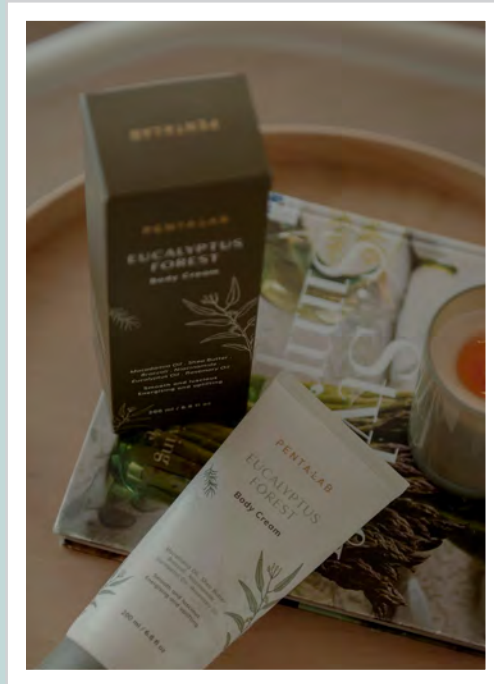
我们坚持践行企业社会责任，积极回馈社会，为社会带来正能量。通过持续努力，我们希望促进正向变革及满足社会需求，为改善我们共同的世界做出贡献。



Sustainability Initiatives



Best World places a strong emphasis on environmentally responsible practices. Our choice of using recycled plastics and FSC certified papers for our packaging materials reflect this commitment. In 2023, we introduced the PentaLab Eucalyptus Forest Body Cream which uses a tube made from 50% recycled material, a recyclable cap, and FSC certified paper packaging. For upcoming products like the PentaLab Botanical Woods Scalp



环保行动

Shampoo and PentaLab Botanical Bloom Hair Conditioner set to launch in 2024, we will also incorporate the use of recycled material and recyclable plastic for their packaging. For our DR's Secret line, we have already transitioned to using mono plastic material for Toner T2 and we are actively exploring options for recyclable plastic for the Avance supplement bottles. Our long-term commitment involves transitioning all primary and secondary paper packaging to FSC certified paper.

全美世界非常重视环保,也着重于付诸实践。我们选用回收塑料和FSC认证纸张作为包装材料,即体现了我们对环保的重视。于2023年,我们推出了唯美工坊蓝桉沁润身体乳,其瓶身以50%的回收材料制成,盖子可回收,而且采用了FSC认证纸张包装。对于2024年即将推出的新产品,如:唯美工坊草本净化洗发露和唯美工坊植萃精油柔发素,我们也会使用回收材料和可回收塑料制作它们的包装。至于我们的暂之密系列,我们已经开始采用单一塑料,制作调肤液T2的瓶身,并积极探索用于维格乐保健品罐子的可回收塑料。我们还制定了长期的计划,即将所有一次性和二次性包装纸,全部改为FSC认证纸张。



Outlook for FY2024

We anticipate FY2024 to be a challenging year for us and our industry. Geopolitical and economic uncertainties persist from the previous year, casting a shadow over our path. However, we draw strength from our well-prepared internal management teams in Singapore and other regional markets, as well as our dedicated leaders and distributors, whom are well prepared to tackle these challenges head-on.

Our commitment remains steadfast: to serve our global customers diligently and continually expand our customer base by reaching out to new audiences all over the world.

展望 2024

展望 2024 财年,想必也是一个充满挑战的一年,对我们自身甚至整个行业而言,皆是如此。由于往年的地缘政治和经济的不确定性仍然存在,这给我们的未来蒙上了一层阴影。然而,我们新加坡和其它区域市场的内部管理团队,以及我们敬业的领导和经销商,都给我们带来了动力。面对挑战,大家都已经准备就绪、蓄势待发。

我们始终坚持为全球客户提供最优质的产品与服务,并不断扩大我们的客户群,迎接来自全球的新客户。



a word of APPRECIATION



We extend our heartfelt gratitude to our dedicated board members for their guidance throughout the year. To our valued management, staff, and distributors, we deeply appreciate your unwavering contributions over the years. And to our cherished customers and esteemed shareholders, we sincerely thank you for your continued trust and loyalty.

感恩无限

在此,我们向董事会成员在过去一年给予的指导,表示诚挚谢忱。对于我们的管理层、员工和经销商们,我们深深感恩你们多年来的坚持和奉献;而对于我们敬爱的客户和股东,我们真诚地感谢你们一直以来的信任和支持。

Dora Hoan
Founder, Co-Chairman
Group CEO/
Managing Director

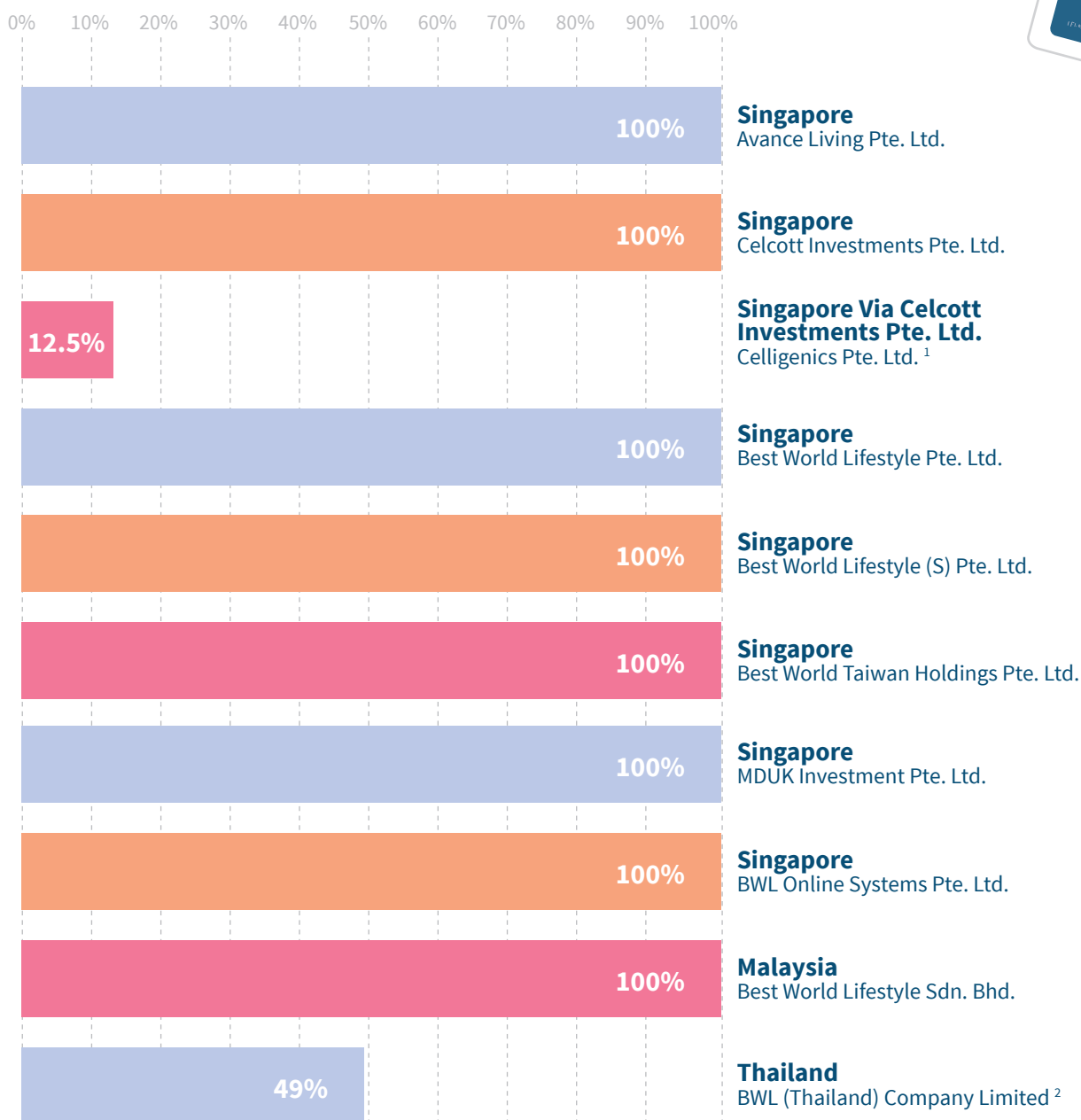
Doreen Tan
Founder, Co-Chairman
President

Group Structure

Subsidiaries, joint venture and associate held by Best World International Ltd

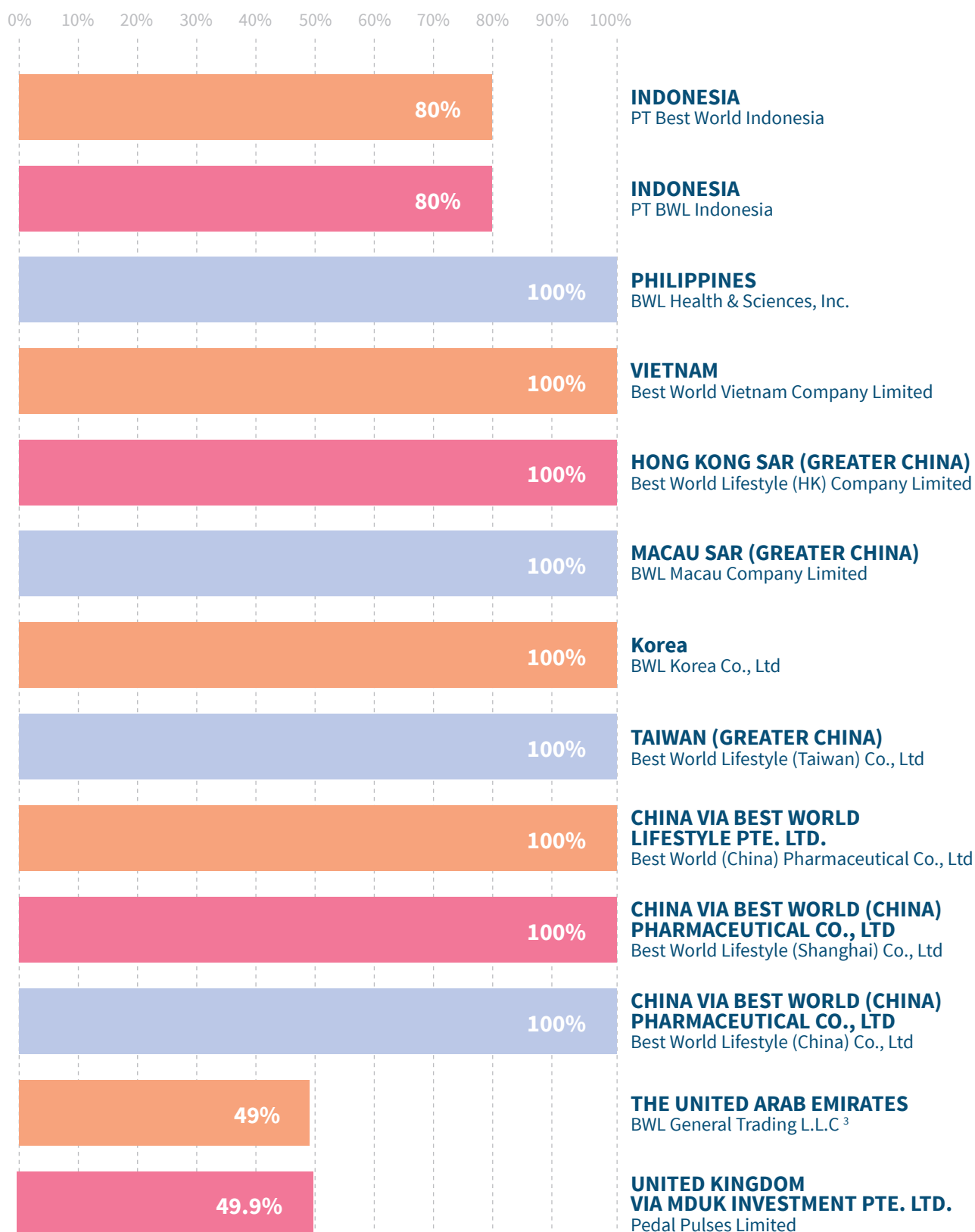


Effective Shareholding



1. The Group considers Celligenics Pte. Ltd. as an investment in associate because the Group has significant influence over the entity through representation on the board of directors. (refer to Note 18 to the Financial Statements).
2. The Group has accounted for BWL (Thailand) Company Limited as a subsidiary as the Group controls the relevant activities (including financial and operating policies) of the entity through a shareholders' agreement.

Effective Shareholding



- The Group considers BWL General Trading L.L.C as a subsidiary of the Group, as the Group has management control over the entity through a shareholders' agreement.



Board of Directors

Dora Hoan Beng Mui, BBM

Co-Chairman,
Group CEO / Managing Director



Date of first appointment as a director:

11 December 1990

Date of last re-election as a director:

27 April 2023

Length of service as a director (as at 31 December 2023):

33 years

Board committee(s) served on:

Nominating Committee

Academic & Professional Qualification(s):

- Bachelor's Degree in History, Nanyang University, Singapore
- MBA, National University of Singapore

Present Directorships in listed companies (as at 31 December 2023)

- Best World International Limited

Other principal commitments

- Secretary, World Federation of Direct Selling Associations
- Chairman, Direct Selling Association of Singapore
- Chairman, World Learner Exchange Program Committee
- Co-Chairman, SPBA Lianhe Zaobao China Prestige Brand Award
- Past President & Council Member, ASME
- Chairman, ASME Mandarin Chapter
- Vice Chairman, Radin Mas CCC

Past Directorships held over the preceding three years in other listed companies (from 1 January 2021 to 31 December 2023)

Nil

Doreen Tan Nee Moi, PBM
Co-Chairman, President



Date of first appointment as a director:

11 December 1990

Date of last re-election as a director:

25 July 2022

**Length of service as a director
(as at 31 December 2023):**

33 years

Board committee(s) served on:

Nil

Academic & Professional Qualification(s):

- Applied Nutrition, American Academy of Nutrition

**Present Directorships in listed companies
(as at 31 December 2023)**

- Best World International Limited

Other principal commitments

- President, Health Supplements Industry Association (Singapore)
- Vice Chairman, ASEAN Alliance of Health Supplement Associations
- Patron, Pasir Ris West CCC
- Chairman of School Advisory Committee, Meridian Secondary School
- Member of Advisory Panel for Centre of Innovation for Complementary Health Products, Temasek Polytechnic

**Past Directorships held over the preceding
three years in other listed companies
(from 1 January 2021 to 31 December 2023)**

Nil

Huang Ban Chin

Executive Director
and Chief Operating Officer



Date of first appointment as a director:

13 September 1994

Date of last re-election as a director:

30 September 2021

Date of next re-election as a director:

26 April 2024

Length of service as a director (as at 31 December 2023):

29 years 3 months

Board committee(s) served on:

Nil

Academic & Professional Qualification(s):

- Bachelor of Science, National University of Singapore

Present Directorships in listed companies (as at 31 December 2023)

- Best World International Limited

Other principal commitments

- Director, Celligenics Pte. Ltd.
- Director, Pedal Pulses Limited

Past Directorships held over the preceding three years in other listed companies (from 1 January 2021 to 31 December 2023)

Nil

Lee Sen Choon

Chairman of Audit Committee
and Lead Independent Director



Date of first appointment as a director:

24 May 2004

Date of last re-election as a director:

30 September 2021

Date of next re-election as a director:

26 April 2024

Length of service as a director (as at 31 December 2023):

19 years 7 months

Board committee(s) served on:

- Audit Committee
- Remuneration Committee
- Nominating Committee

Academic & Professional Qualification(s):

- Bachelor of Science (Hons) degree, Nanyang University, Singapore
- Post-Graduate Diploma in Management Studies, University of Salford, United Kingdom
- Fellow Member of Institute of Chartered Accountants in England and Wales
- Practising Member of Institute of Singapore Chartered Accountants

Present Directorships (as at 31 December 2023)

- Best World International Limited
- Hor Kew Corporation Limited

Other principal commitments

- Managing Partner of UHY Lee Seng Chan & Co, Chartered Accountants
- Chairman of Audit Committee, Hwa Chong International School
- Chairman of School Advisory Committee, Xingnan Primary School

Past Directorships held over the preceding three years in other listed companies (from 1 January 2021 to 31 December 2023)

Nil

Adrian Chan Pengee, PBM
Chairman of Remuneration Committee



Date of first appointment as a director:

3 January 2018

Date of last re-election as a director:

27 April 2023

**Length of service as a director
(as at 31 December 2023):**

6 years

Board committee(s) served on:

- Remuneration Committee
- Nominating Committee
- Audit Committee

Academic & Professional Qualification(s):

- LLB (Hons), National University of Singapore

**Present Directorships
(as at 31 December 2023)**

- Best World International Limited
- Food Empire Holdings Limited
- Hong Fok Corporation Limited
- First REIT Management Limited
- Keppel Infrastructure Fund Management Pte. Ltd.

Other principal commitments

- Head of Corporate and Senior Partner, Lee & Lee
- Director, Shared Services for Charities Limited
- Director, Azalea Asset Management Pte Ltd
- Vice Chairman, Singapore Institute of Directors
- Honorary Secretary, Association of Small and Medium Enterprises
- Member, Legal Service Commission
- Member, Singapore Management University's Enterprise Board
- Member, SGX Catalist Advisory Panel

**Past Directorships held over the preceding
three years in other listed companies
(from 1 January 2021 to 31 December 2023)**

- Yoma Strategic Holdings Ltd.
- AEM Holdings Ltd
- CapitalLand Ascendas REIT Management Limited

Chester Fong Po Wai

Chairman of Nominating Committee



Date of first appointment as a director:

15 February 2019

Date of last re-election as a director:

25 July 2022

Length of service as a director (as at 31 December 2023):

4 years 10 months

Board committee(s) served on:

- Nominating Committee
- Audit Committee
- Remuneration Committee

Academic & Professional Qualification(s):

- Bachelor of Social Sciences, University of Hong Kong
- Master of Business Administration, University of Derby, United Kingdom
- Member of Hong Kong Institute of Certified Public Accountants
- Member of CPA Ontario

Present Directorships (as at 31 December 2023)

- Best World International Limited

Other principal commitments

- Board member, CPA Ontario Toronto North Association

Past Directorships held over the preceding three years in other listed companies (from 1 January 2021 to 31 December 2023)

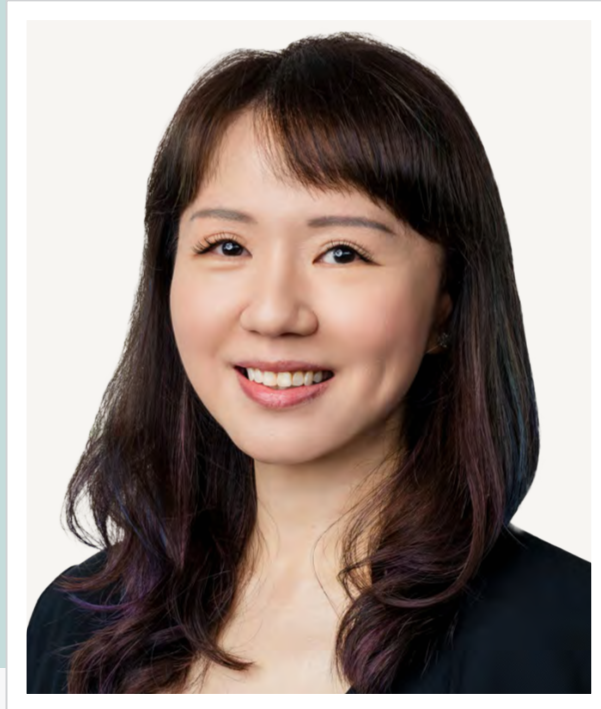
Nil

Past principal commitments

- CFO, Greater Asia Division, Colgate-Palmolive
- Chairman and CEO, Greater China, Colgate-Palmolive
- Senior Advisor to McKinsey & Company

Li Lihui

Alternate Director to Dora Hoan Beng Mui



Date of first appointment as a director:

16 January 2019

Length of service as a director (as at 31 December 2023):

4 year 11 months

Board committee(s) served on:

Nil

Academic & Professional Qualification(s):

- LLB (Hons), National University of Singapore
- Master of Science in Applied Finance, Singapore Management University
- Certified Health Coach, Institute of Integrative Nutrition, United States

Present Directorships (as at 31 December 2023)

- Best World International Limited

Other principal commitments

- Director, The Dark Gallery Pte Ltd
- Director, Thirtythree Private Limited
- Director, Pedal Pulses Limited

Past Directorships held over the preceding three years in other listed companies (from 1 January 2021 to 31 December 2023)

Nil

Pek Wei Liang

Alternate Director to Doreen Tan Nee Moi



Date of first appointment as a director:

16 January 2019

Length of service as a director (as at 31 December 2023):

4 year 11 months

Board committee(s) served on:

Nil

Academic & Professional Qualification(s):

- Diploma in Electronics, Computer & Communications Engineering, Nanyang Polytechnic
- Certified Master Practitioner of Neuro-Linguistic Programming, Mind Transformations

Present Directorships (as at 31 December 2023)

- Best World International Limited

Other principal commitments

- Director, So App Pte Ltd

Past Directorships held over the preceding three years in other listed companies (from 1 January 2021 to 31 December 2023)

Nil

Key Management

Koh Hui Senior Group Financial Controller

Ms Koh joined Best World in 2003 and has served in a number of finance and managerial positions. In 2004, Ms Koh was appointed Group Finance Manager where she headed the finance team and was instrumental in the successful listing of the company. She was subsequently assigned as Deputy General Manager, Best World (Hunan) Health Sciences Company Ltd, China from 2008 to 2009. Her consistent work performance led to her promotion to Senior Group Financial Controller in 2013, where her current responsibilities include overseeing accounting, finance, treasury, risk management and tax functions of the group. She also assists the executive director on all investor relations matters.

Prior to joining Best World, Ms Koh served as a senior auditor with Ernst and Young. She holds a Bachelor of Accountancy from Nanyang Technological University of Singapore and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.



Sugiharto Husin Senior Group Manager, Information System

Sugiharto joined Best World in 2006 and is responsible for all aspects of information technology at the foundation, where he provides technological direction and partners with senior executives to design and plan complex global technology initiatives, project implementation strategies, organizational change management, communications, training programs and IT disaster recovery planning.

Sugiharto has been endeavouring in the IT field since 1993, working within the realms of software development, retail, healthcare and commerce industries. Prior to joining Best World, he was General Manager of IT Services in a local direct selling company. His experience in this industry enables him to effectively implement best practices and make IT one of Best World's competitive tools. Sugiharto holds a Bachelor's Degree with Honours in Computing & Information Systems from University of Central England. He is also a certified Architect for Enterprise Java Applications.



Jerry Lu
Senior Group Regional Manager,
S.E.A. Market Development

Mr Lu first joined the company as Marketing Manager in July 1995 and has been extensively involved in the strategic expansion and development of the Group's direct selling business within the region.

During this period, his consistent performance has led to his promotion as Senior Area Manager in 2007 and Regional General Manager in 2009. In 2011, he was subsequently appointed as Group Manager, Southeast Asia Market Development where his current role has been focused on the growth and development of the Group's interests in regions comprising Singapore, Thailand, Malaysia and Philippines.



These responsibilities include overseeing the strategic planning, business development, operational business processes of these individual markets and mapping out strategies to strengthen market networks. Mr Lu holds a Bachelor's Degree in Commerce (Information Systems) from Curtin University, Australia.

Jansen Tang
Senior Country Manager, Best World (China)
Pharmaceutical Co., Ltd. (Hunan Branch) &
Best World Lifestyle (China) Co., Ltd &
Best World Lifestyle (HK) Company Limited
Senior Group Manager, Membership Management

Mr Tang joined the company in 2005 as a Management Trainee and was promoted as a Manager in 2006, where his responsibilities include supervising the calculation and distribution of bonus commission for distributors. His consistent performance saw him posted to China in 2007 to oversee the customer service and logistical operations for the Group's business in China. He was later promoted as Division Manager and subsequently as Group Manager, Regional Membership & Commission in 2010 and 2015 respectively. He assumed further responsibility as Deputy Country Manager, Hong Kong in 2012 and was subsequently promoted to Country Manager in 2015, where his role was expanded to include the strategic planning and business development in the region. In 2018, he was promoted to Senior Country Manager, China and Hong Kong. He is responsible for the overall supervision of our operational and business processes in China and Hong Kong.



Mr Tang holds a Bachelor's Degree in Psychology and Economics from National University of Singapore.

Simon Yeh Kuo Tang
Senior Country Manager, Best World Taiwan
Holdings Pte. Ltd. (Taiwan Branch)

Appointed as the Senior Country Manager of Taiwan from February 1, 2016, Mr Yeh is a direct selling veteran with over 20 years of management experience within the Industry. His proven track record, coupled with his wealth of industry know-how, will be instrumental in propelling Taiwan market into the next level of development. With his management experience and deep-seated sensitivity of the Asian markets, Mr Yeh brings even greater diversity and capability to our regional management team.

Prior to joining Best World, Mr Yeh was the General Manager of 2 separate Direct Selling companies in Taiwan, over a span of 20 years. Mr Yeh holds a Bachelor's Degree in Economics from Tamkang University in Taiwan.



Ho Kok Tong
General Manager (Manufacturing/Wholesale),
Best World (China) Pharmaceutical Co., Ltd

Mr Ho has served in the past as General Manager of Operations and Corporate. In 2008, he was appointed as Country Manager for Taiwan and was subsequently promoted as Senior Country Manager in recognition of his consistent work performance and positive contributions. At the end of 2013, Mr Ho was appointed as Senior Group Manager, Business Development, as he returned to Singapore. His responsibilities included overseeing the strategic planning, business development and day-to-day operations of the Group.

Mr Ho was subsequently appointed as Acting Deputy General Manager, China in which he oversees the management and operations of our dietary supplement manufacturing subsidiary in Hangzhou City of China. A key function of his role is maintaining distributor relationships with the objective of further expanding the existing market share in China. With effect from 2016, he was designated as General Manager, Best World (China) Pharmaceutical Ltd for the Hangzhou operations.

Prior to joining the Group in 2007, Mr Ho has had more than 20 years of finance and managerial experience working in both MNCs and SMEs. He also has over 10 years of experience in marketing health-related products in Southeast Asia. He graduated with a Bachelor of Commerce (Hons) from Nanyang University and is a Fellow Certified Public Accountants of Singapore (FCPA Singapore).



Tan Hui Keng, Phyllis
Senior Group Manager, Supply Chain Management

Ms Tan joined Best World in 1997 as an Accounts Executive. She was promoted to Supply Chain Manager in 2005 and subsequently as a Division Manager, Supply Chain in 2008. In 2015, she was promoted to Group Manager, Logistic. In 2019, she assumed further responsibility with Warehouse Operations & Production grouped under Supply Chain function and subsequently promoted to Senior Group Manager, Supply Chain Management in March 2023. Her responsibilities include managing the Group's inventory planning and supply chain management.

Ms Tan holds a Bachelor's Degree in Commerce from Murdoch University, Australia.



Ang Ping
Group Manager, Project & Event Branding

Mr Ang leads the team in Event and Project Branding that specialises in brand creation, extension and application. He is responsible for overseeing the completion of brand packaging, marketing collaterals and keynote presentation across the portfolio of skincare and health supplement brands. His team of designers and motion graphic specialists is also responsible for the development of video content for products and training, strengthening our digital presence and online training platform. His team is also instrumental in the creation of the company's annual report and financial keynote presentation. In addition, Mr Ang also heads the company's corporate social responsibility initiative, the World Learner Student Exchange Scholarship which rewards underprivileged students with outstanding performance in schools, an opportunity to experience growth through travel and student immersion in Singapore.

Prior to Best World, Mr Ang spent over 10 years in brand consulting. His rich experience and expertise help maintain our brand experience refreshing and engaging at every brand touch point. Mr Ang holds an MBA from the University of Chicago Graduate School of Business.



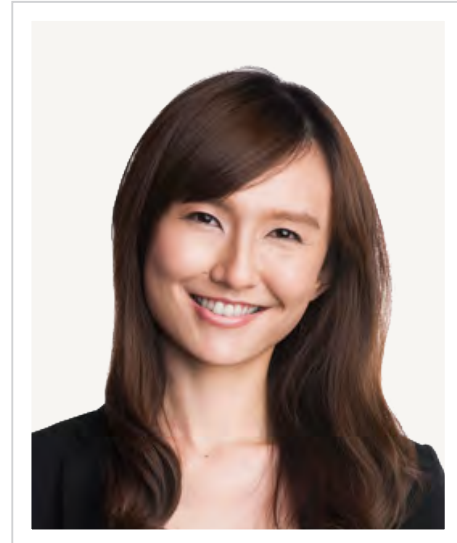
Lim Sze Huey
Group Manager, Product Management

Ms. Lim embarked on her journey with Best World in October 2008, starting as an executive in the product development team. A testament to her dedication and exceptional performance, she consistently ascended the ranks, achieving a promotion to Assistant Manager in 2010, Manager in 2012, further advancing to Senior Manager in 2013, and assuming the position of Division Manager in 2015.

In 2018, Ms. Lim attained the role of Group Manager, Product and Quality, reflecting her expertise in the meticulous management of these critical functions. Further recognition of her leadership and strategic acumen led to her appointment as Group Manager, Product Management, an encompassing role overseeing all product-related functions, in 2023.

Currently, Ms. Lim leads cross-functional teams responsible for product development, product management, quality assurance, regulatory affairs, marketing and design direction. This role encapsulates her proficiency across the entire product management lifecycle for cosmetic and nutraceutical products, from conceptualization to market launch.

Ms. Lim's academic achievements include being a recipient of the Nanyang Scholarship and graduating from Nanyang Technological University with a Bachelor of Engineering (Chemical and Biomolecular Engineering) with a minor in Business in 2008. Committed to continuous learning, she furthered her education by completing a Master of Technology in Digital Leadership with the National University of Singapore in 2023.

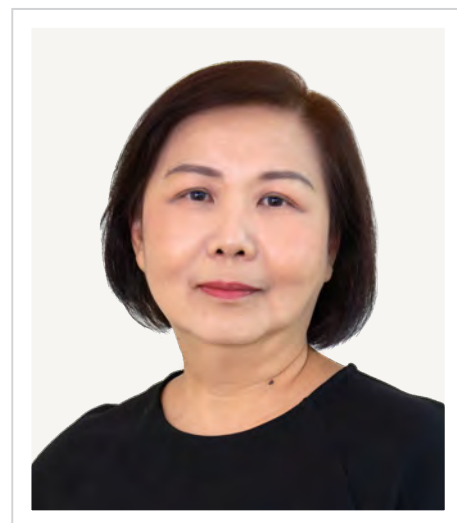


Angie Tiu
Group Manager,
Human Resources and Administration

Ms Tiu joined Best World International Ltd in 2015 as the Human Resources & Administration Manager for the Singapore Operations. She was promoted to Division Manager in 2017 and Group Manger in 2021 overseeing the Groups HR & Admin function.

Prior to joining Best World Ms Tiu has worked in multiple companies including MNCs, SME and VWO.

Ms Tiu graduated from Ngee Ann Polytechnic with a Diploma in Business Studies. She also holds a Graduate Diploma in Personnel Management from the Singapore Institute of Management.



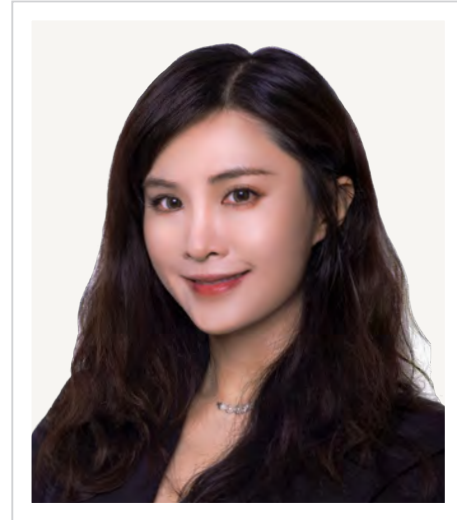
Cynthia Liu Qing Group General Counsel

Ms Liu joined Best World in October 2019. She was promoted to Group General Counsel in 2022.

Ms Liu's current responsibilities include overseeing the Company's legal functions around the world, examining and drafting internal and external contracts, managing copyrights and trademarks and other intellectual properties of the Company. She ensures legal compliance regarding mergers and acquisitions (M&A) activities, employee safety as well as consumer protection. She oversees compliance with corporate governance and establish the prudence of defending lawsuits.

Ms Liu worked in law firms in China, Germany and Singapore, specializing in corporate law and intellectual property law before moving in-house. She has more than ten years in house experience in listed companies both in Hong Kong and Singapore.

Ms. Liu graduated from Ludwig Maximilian University of Munich (Munich University) with a Master's Degree of Law. During her tenure at Best World, she has also been continuously upgrading her professional knowledge and skills through Harvard Business School Online. She is also a certified and qualified Chartered Company Secretary.



Corporate Information

Directors

Dora Hoan Beng Mui

Co-Chairman,
Chief Executive Officer,
Managing Director

Doreen Tan Nee Moi

Co-Chairman,
Executive Director,
President

Huang Ban Chin

Executive Director,
Chief Operating Officer

Lee Sen Choon

Lead Independent
Non-Executive Director

Adrian Chan Pengee

Independent
Non-Executive Director

Chester Fong Po Wai

Independent
Non-Executive Director

Li Lihui

Alternate Director to
Dora Hoan Beng Mui

Pek Wei Liang (Bai Weiliang)

Alternate Director to
Doreen Tan Nee Moi

Audit Committee

Lee Sen Choon

Chairman

Adrian Chan Pengee

Chester Fong Po Wai



Remuneration Committee

Adrian Chan Pengee

Chairman

Lee Sen Choon

Chester Fong Po Wai

Nominating Committee

Chester Fong Po Wai

Chairman

Dora Hoan Beng Mui

Lee Sen Choon

Adrian Chan Pengee

Registered Office

20 Pasir Panjang Road
#08-28 Mapletree Business City
Singapore 117439
Tel: (65) 6899 0088
Email: info@bestworld.com.sg
Website: www.bestworld.com.sg

Principal Bankers

Citibank N.A.
Taipei Fubon Commercial Bank Co., Ltd.,
(Singapore Branch)
Bank Julius Baer & Co. Ltd.

Share Registrar

Tricor Barbinder Share
Registration Services
9 Raffles Place, #26-01
Republic Plaza,
Singapore 048619

Auditor

CLA Global TS Public Accounting
Corporation
Partner In-Charge:
Ms. Lee Look Ling
(since financial year ended
31 December 2021)

As at 31 March 2024



Finance CALENDAR

26 April 2024

Annual General Meeting 2023

9 May 2024

Proposed announcement of first quarter results ended 31 March 2024

8 August 2024

Proposed announcement of first half year results ending 30 June 2024

12 November 2024

Proposed announcement of third quarter results ending 30 September 2024



Corporate Governance Report

The Board of Directors (the “**Board**”) of Best World International Limited (the “Company” or “Best World”) and its subsidiaries (the “**Group**”) firmly believes that good corporate governance is essential for the long-term sustainability of the Group’s business and performance. The Company is fully committed to maintain its high standard of corporate governance to ensure greater transparency, accountability and protection of shareholders’ interest.

This report, set out in a tabular form, describes the Company’s corporate governance processes and structures that were in place throughout the financial year, with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**2018 Code**”) issued on 6 August 2018.

The Board confirms that for the financial year ended 31 December 2023 (“**FY2023**”), the Company has complied with the core principles of corporate governance laid down by the Code. The Company has also largely complied with the provisions that reinforce the principles of the 2018 Code, where applicable, and has provided appropriate explanations for variations from the provisions of the Code (namely, variations from Provisions 2.2, 2.3, 3.1, 3.2, 8.1, 11.4 and 11.6 as further described below), including the reason for variation and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code, in this report.

BOARD MATTERS

The Board’s Conduct of its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provisions ***Corporate Governance Practices of the Company***

1.1 **Directors are fiduciaries who act objectively in the best interests of the Company**

The Company is headed by an effective Board, comprising competent individuals with diversified background and collectively brings with them a wide range of experience to lead the Company.

The Board oversees the activities of the Group and assumes responsibility for the Group’s overall strategic plans, key operational initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices and holds the management of the Company (the “**Management**”) accountable for performance. The Board has also put in place a code of conduct and ethics, sets an appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Group, through the Group’s Code of Ethical Conduct, Anti-Corruption Policy, Gift & Entertainment Policy and Conflict of Interest Policy.

The Board’s principal functions are:

- a) Setting strategic and financial objectives of the Company and monitoring the performance of Management;
- b) Considering sustainability issues including environmental and social factors in the formulation of the Group’s strategies;
- c) Approving annual budgets, funding requirements, expansion plans, capital investment, major acquisitions and divestment proposals;
- d) Approving nominations of board directors, committee members and key personnel;

- e) Overseeing the framework of internal controls to ensure its adequacy, make sure risks are assessed and managed, including safeguarding of shareholders' interests and the company's assets, accurate financial reporting and compliance with relevant laws, regulations and policies;
- f) Determining the Group's values and standards including ethical standards; and
- g) Approving transactions involving interested parties.

All directors exercise due diligence and independent judgement and are obliged to act in good faith and in the best interests of the Company. Where there are conflicts of interest, directors recuse themselves from discussions and decisions involving the issues of conflict.

1.2 **Directors' induction, training and development**

A formal letter is sent to newly appointed directors upon their appointment explaining their duties and obligations as a director. New directors, upon appointment, will be briefed during the orientation program on the overview of the business operations, the latest results announced, the company's corporate governance practices, regulatory regime, their duties as directors and the relevant committee's terms of reference. The director is also introduced to key management personnel and given the opportunity to visit the Group's operational facilities.

Board members are encouraged to attend seminars at least annually and receive training to keep abreast of current developments to properly discharge their duties as directors. The Company works closely with professionals to provide its directors with updates on changes to relevant laws, regulations and accounting standards. Our independent directors are also primarily engaged in their respective profession, keeping themselves updated in their fields of knowledge.

The Board as a whole is updated regularly on risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members.

New releases issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Accounting and Corporate Regulatory Authority which are relevant to the directors are circulated to the Board.

The Company Secretary and Management inform the directors of upcoming conferences and seminars relevant to their roles as directors of the Company.

Annually, the external auditors update the Audit Committee and the Board on new or revised financial reporting standards, in particular standards that could have a material impact on the Group's consolidated financial statements.

Training Attended By Directors

2023

Dora Hoan Beng Mui

LED9: Environmental, Social and Governance Essentials

1.3 **Matters requiring Board's approval**

The Company has formulated guidelines setting forth matters reserved for the Board's decision. The Management was also given clear directions on matters including financial authorization and approval limits for operational matters and capital expenditure. The Board approves transactions exceeding certain threshold limits while delegating authority for transactions below these limits to Management to facilitate operational efficiency.

Certain material corporate actions that require the Board's approval are as follows: -

- quarterly results announcements;
- annual results and financial statements;

- recommendation of dividends;
- convening of shareholders' meetings;
- authorization of material acquisition and disposal of non-routine assets, investments and treasury products exceeding \$500,000;
- authorization of joint ventures, mergers and major transactions;
- internal audit reports;
- appointment of directors and key management personnel; and
- all corporate actions for which shareholders' approval is required.

1.4 **Board Committees**

To facilitate effective management, certain functions have been delegated to various board committees, namely the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”), each of whose members are drawn from members of the Board (together “**Board Committees**” and each a “**Board Committee**”). Each of these Board Committees has its own written terms of reference and its actions are reported to and monitored by the Board. Minutes of the Board Committee meetings are available to all Board members. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. For a summary of the activities of the AC, the NC and the RC during FY2023, please refer to Provisions 10.1, 4.1 and 6.4 respectively.

1.5 **Board Meetings and Attendance**

The schedule of all the Board and the Board Committee meetings for the calendar year is usually given to all the directors well in advance. Besides the scheduled meetings, the Board has also held several informal discussions as and when required by specific circumstances, and as deemed appropriate by the Board members. The Company's Constitution allows a Board meeting to be conducted by means of telephone or similar communications equipment (which may include video conference). A record of the directors' attendance at general meetings and meetings of Board and Board Committees for FY2023, as well as the frequency of such meetings, is set out in **Table 1** below. Please also refer to Provision 4.5 for further information regarding directors with multiple board representations.

TABLE 1 – ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS AND AGM FOR FY2023

NAME	BOARD	AUDIT	REMUNERATION	NOMINATING	AGM	ATTENDANCE	
	No. Attended / No. of Meetings					Total	%
Dora Hoan Beng Mui	4/4	4/4	-	2/2	1/1	11/11	100%
Doreen Tan Nee Moi	4/4	4/4	-	-	1/1	9/9	100%
Huang Ban Chin	4/4	4/4	-	-	1/1	9/9	100%
Lee Sen Choon	4/4	4/4	2/2	2/2	1/1	13/13	100%
Adrian Chan Pengee	4/4	4/4	2/2	2/2	1/1	13/13	100%
Chester Fong Po Wai	4/4	4/4	2/2	2/2	1/1	13/13	100%
Li Lihui	4/4	4/4	-	-	1/1	9/9	100%
Pek Wei Liang (Bai Weiliang)	4/4	4/4	-	-	1/1	9/9	100%

Provisions ***Corporate Governance Practices of the Company***

1.6 **Access to information**

The members of the Board are provided with complete, adequate and timely information prior to Board meetings, and on an on-going basis. Requests for information by the Board are dealt with promptly by Management. The Board is informed of all material events, projects and transactions on a timely basis. These include relevant information and explanatory notes on matters that are presented to the Board, such as budgets, forecasts and business models.

In relation to budgets, any material variance between projections and actual results are disclosed and explained. Timely updates on developments in accounting matters, legislation, government policies and regulations affecting the Group's business operations are provided to all directors.

Access to Management and Company Secretary

The Board has separate and independent access to the Group's senior management and the Company Secretary at all times. During FY2023, the Non-Executive Independent Directors ("NEIDs") met quarterly and on an ad hoc basis with the Chairman and other key management personnel of the Group as and when required to discuss key issues and the challenges facing the Group. The Company benefited from the NEIDs having ready access to the Management for guidance and exchange of views both within and outside the formal environment of the Board and Board Committee meetings. The Board seeks independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The directors, whether as a group or individually, may seek and obtain legal and other independent professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their roles and responsibilities as directors.

The Company Secretary provides corporate secretarial support to the Board and ensures adherence to Board procedures and relevant rules and regulations which are applicable to the Company. The Company Secretary assists the Co-Chairman by preparing meeting agendas, attending Board and Board Committee meetings and preparing minutes of Board proceedings. Under the direction of the Co-Chairman, the Company Secretary, with the support of the Management, ensures good information flows within the Board and the Board Committees and between senior management and non-executive directors. The appointment and replacement of the Company Secretary is a matter for the Board.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provisions **Corporate Governance Practices of the Company**

2.1 Director Independence

The Board comprises the following 8 members, of whom three are executive directors ("**EDs**"), 2 are non-executive non-independent alternate directors ("**NENIs**") and the remaining 3 are non-executive independent directors ("**NEIDs**"). Excluding the alternate directors, independent directors make up half the Board. A summary of the current composition of the Board and its committees is set out in **Table 2**:

Dora Hoan Beng Mui	Co-Chairman, Group CEO / Managing Director
Doreen Tan Nee Moi	Co-Chairman, President
Huang Ban Chin	Executive Director and Chief Operating Officer
Lee Sen Choon	Lead Independent Director
Adrian Chan Pengee	Independent Director
Chester Fong Po Wai	Independent Director
Li Lihui	Alternate director to Dora Hoan Beng Mui
Pek Wei Liang	Alternate director to Doreen Tan Nee Moi

Li Lihui and Pek Wei Liang were appointed as alternate directors to Dora Hoan Beng Mui and Doreen Tan Nee Moi respectively. The reason for the appointment of alternate directors is to support the principal directors in their duties in their absence. Li Lihui's and Pek Wei Liang's role as alternate directors are non-executive in nature and they receive no remuneration from the Company.

The NC, which reviews the independence of each director on an annual basis, adopts the 2018 Code's definition of what constitutes an independent director. Each independent director is required to complete a declaration of independence which is drawn up in accordance with the guidelines set out in the Code and submits the same to the NC for assessment and consideration. None of the independent non-executive directors has a relationship with the Company, its related corporations, its substantial shareholders (holding 5% or more of the shares) or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. Rule 210(5)(d) of the Listing Manual of the SGX-ST also sets out circumstances under which a director will not be independent.

The Singapore Exchange Regulation (SGX RegCo) announced on 11 January 2023 that it will limit the tenure of independent directors (IDs) serving on the boards of listed issuers to nine years and remove the two-tier vote mechanism for companies to retain long-serving IDs who have served for more than nine years. As a transition measure, IDs whose tenure exceeds the nine-year limit can continue to be deemed independent until the issuer's annual general meeting (AGM) held for the financial year ending on or after 31 December 2023. Mr Lee Sen Choon, who was appointed on 24 May 2004 and has served on the Board beyond nine years, continues to be considered independent until the conclusion of the upcoming AGM of the Company. He will continue as non-independent non-executive director of the Company upon the conclusion of the AGM of the Company.

2.2 **Independent directors make up a majority of the Board if Chairman is not independent**

The Co-Chairman of the Board and the Group Chief Executive Officer (“**Group CEO**”) of the Company are the same person, namely Dora Hoan Beng Mui. The Co-Chairman is part of the management team and is not an Independent Director. Where the Chairman is not independent, independent directors should make up a majority of the Board. In this regard, excluding the alternate directors, half of the Board is made up of independent directors.

Whilst independent directors do not make up a majority of the Board, the culture practised by the Board is to always to have a group consensus on major decisions before moving forward. Even without majority representation, any issue highlighted by any director is always looked into and properly addressed in a satisfactory manner.

Being leaders in their own field, our independent directors all exercise independent thought and have no difficulty speaking out and articulating their opinion on proposals or asking for more in-depth assessment to be performed before a decision is made as a whole, in their role to assist in the development of proposals on strategy by constructively challenging management and reviewing the performance of management.

The Board is of the view that the practices it had adopted are consistent with the intent of Principle 2 which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company is met and the independent directors have demonstrated high commitment in their role as directors and have always worked towards a good balance of power and authority and good corporate governance.

In addition, the Board has a lead independent director, Mr Lee Sen Choon to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The Lead Independent Director is also available to address shareholders' concerns when contact through the normal channels of the Chairman, the CEO, or Management (including the Group Chief Financial Officer, or equivalent) has failed to provide a satisfactory resolution or when such contact is inappropriate or inadequate.

2.3 **Non-executive directors make up a majority of the Board**

Excluding alternate directors, the Board is composed of executive directors and non-executive directors in equal proportion. Although this constitutes a variation from Provision 2.3 of the 2018 Code which provides that non-executive directors make up majority of the Board, the Board is of the view that the intent of Principle 2 is met as all Board Committees are chaired by non-executive independent directors and no individual or small group of individuals dominate the decisions of the Board.

2.4 **Board Size and Board Diversity**

The Company has adopted a formal Board Diversity Policy setting out its policy, framework and objectives for promoting diversity on the Board.

The Board believes that diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink and ensures that decisions made are well thought out, promoting better corporate governance. From time to time, members with different skillsets and experiences are brought in to bolster the Board with diverse skillsets, expertise and industry experience from both genders to spur new ideas and to meet current and future business needs. At the same time, the Board is mindful of the complexity of decision making and costs that come with a large Board, hence the Board avoids appointing directors with overlapping specialized

skillsets to enhance Board effectiveness, efficiency and avoid diminishing returns. The Board does not believe in setting quantitative diversity targets for its composition, but it does aim to always maintain an effectively diverse Board in terms of skills, knowledge, experience and other aspects of diversity such as age, gender and nationality.

The Board is of the opinion that Best World has a diverse Board with an appropriate balance and diversity of skills, experience, age, gender, knowledge and professional qualifications and considers that the present Board size is appropriate, taking into account the nature and scope of the Group's operations. Currently, 33% of the board is comprised of the female gender, is represented by multiple nationalities and as a group provide core competencies, such as business management experience, industry knowledge, accounting and finance, legal, strategic planning and customer based experience and knowledge that are necessary and critical to meet the Group's objectives. The biographies of all Board members are set out in the section entitled "Board of Directors".

2.5 **Meeting of Independent Directors without Management**

As and when needed, the non-executive directors meet without the presence of management to review any matters that should be raised privately and provide feedback to the Board and/or Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions Corporate Governance Practices of the Company

3.1 **Separation of roles of the Chairman and Chief Executive Officer ("CEO")**

Dora Hoan Beng Mui currently fulfils the role of Co-Chairman and Group CEO of the Group. As one of the founders and a substantial shareholder of the Company since its inception, she plays an instrumental role in developing the business of the Group and providing the Group with strong leadership and strategic vision. All major decisions are put up for Board discussion and endorsed by the Board as described in Provision 2.2 and 2.3.

3.2 **Division of responsibilities between the Chairman and CEO**

The Chairman provides leadership to the Board. Besides being responsible for board proceedings, the Chairman is also responsible for presenting the Board's views and decisions to the public. The Group CEO is responsible for the day-to-day running of the Group and ensures that the Board's decisions and strategies are translated to the working level.

As the Co-Chairman and Group CEO, Dora Hoan Beng Mui is responsible for Board processes and ensures the integrity and effectiveness of the governance process of the Board. With the assistance of the Company Secretary and Management, she schedules and prepares the Board meetings agenda. In addition, she sets guidelines on and ensures quality, quantity, accuracy and timeliness of information flow between the Board, Management and shareholders of the Company. She encourages constructive exchanges between the Board and Management and between the executive directors and the independent directors. By virtue of the dual roles, the Co-Chairman and Group CEO had been able to consistently ensure that Board decisions and strategies are implemented seamlessly. The sustained growth of the Group under her leadership as both Co-Chairman and Group CEO is an indication of her ability to execute the responsibilities of both these roles effectively.

3.3 **Lead Independent Director**

As mentioned in Provision 2.2, the Board has appointed Mr. Lee Sen Choon, a NEID, as the Lead Independent Director. Mr. Lee Sen Choon will be available to shareholders where they have concerns, and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or

inadequate. In view of the above, the Company believes that the existing practices are consistent with the intent of Principle 3 of the 2018 Code and believe there are adequate safeguards to prevent an individual from having unfettered powers of decision making.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions Corporate Governance Practices of the Company

4.1 Role of Nominating Committee

The Board, in conjunction with the NC, reviews the composition of the Board and Board Committees annually, taking into account the performance and contribution of each individual director and identifying areas that have potential for improvement. Board composition is also evaluated to ensure diversity of skills, experience, gender and age diversity are maintained within the Board and Board committees.

The duties of the NC stipulated in its terms of reference are summarized as follows:

- a) To make recommendations to the Board on all board appointments;
- b) To re-nominate directors with regards to their contribution and performance;
- c) To determine annually whether a director is independent;
- d) To review the composition of the Board and make recommendations on the performance criteria and appraisal process to be used for the evaluation of the individual directors; and
- e) To assess the effectiveness of the Board as a whole and decide if each director has been adequately carrying out his or her duties.

Summary of NC's activities in 2023

- Reviewed the Board's composition and size, director's tenure, competencies and outside commitments, Board and Committee education, nomination of directors for re-election;
- Reviewed the need to renew the Board, given Mr Lee Sen Choon turns non independent at the AGM in 2024. Assessed various options, giving adequate consideration to the Company's Board Diversity Policy;
- Reviewed the major themes arising from the annual Board Committees and Board performance review process and considered whether any aspects of the Board's oversight framework could be strengthened;
- Reviewed Board and Committee education and recommended training and professional development programmes for the Board and its directors;
- Reviewed the director's independence criteria and assessment process; and
- Reviewed and endorsed leadership succession planning proposed by Group CEO.

4.2 Composition of NC

The NC, regulated by a set of written terms of reference, comprises four members, one of whom is an executive director and three of whom, including the Chairman, are NEIDs. The lead independent director is a member of the NC.

Chairman : Chester Fong Po Wai (Independent Non-Executive Director)
Member : Dora Hoan Beng Mui (Co-Chairman, Group CEO / Managing Director)
Member : Lee Sen Choon (Lead Independent Non-Executive Director)
Member : Adrian Chan Pengee (Independent Non-Executive Director)

Board Renewal and succession planning

The NC is responsible for identifying and recommending new board members to the Board. In the selection process for the appointment of new directors, the NC reviews the diversity in skills, experience, gender, age and industry knowledge as well as the desired competencies of the potential candidate. The objective is to boost the Board's competency and add to the diversity of skills to enhance the Board's overall effectiveness. Relevant competencies such as (i) academic and professional qualifications; (ii) number of other directorships; (iii) relevant experience as a director; and (iv) ability and adequacy in carrying out required tasks are also considered by the NC.

The NC leads the process for Board appointments/re-appointments and makes recommendations to the Board. The process of appointment/re-appointment is as follows:

- (i) developing a framework on desired competencies and diversity of the Board;
- (ii) assessing current competencies and diversity of the Board;
- (iii) developing desired profiles of new directors;
- (iv) initiating search for new directors from various sources, including third party search firms and institutions;
- (v) shortlisting and interviewing potential director candidates;
- (vi) recommending appointments and retirements to the Board; and
- (vii) re-election at general meeting.

In accordance with the Constitution, at each AGM, one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third), selected in accordance with Article 93, shall retire from office by rotation (in addition to any director retiring pursuant to Article 92). In addition, all directors, including executive directors, must submit themselves for re-nomination and re-election at least once every three years in accordance with Rule 720(5) of the SGX-ST Listing Rules (Mainboard).

All newly appointed directors will have to retire at the next AGM following their appointments. The retiring directors are eligible to offer themselves for re-election. The following directors will retire at the forthcoming AGM and have been re-nominated by the NC for re-election:

Huang Ban Chin (Regulation 93)

Lee Sen Choon (Regulation 93)

The Board has accepted the NC's recommendation and accordingly, the above-mentioned directors, being eligible, will be offering themselves for re-election at the forthcoming AGM. Each Director abstains from making any recommendation and voting on any resolution in respect of the assessment of his own performance or re-appointment as a director.

The profile of all Board members is set out in the section entitled 'Board of Directors'. The date of the directors' initial appointment and last re-election and their directorships/principal commitments are also disclosed. Except as disclosed, there were no other directorships or chairmanships held by the directors over the preceding three years in other listed companies.

Continuous Review of Director's Independence

The NC determines the independence of each director annually, and as and when circumstances require, based on the definitions and guidelines of independence as set forth in Provision 2.1 above. The Board, after taking into consideration the views of the NC, is of the view that Messrs Lee Sen Choon, Adrian Chan Pengee and Chester Fong Po Wai are independent. Please also refer to Provision 2.1 above for further information on the declaration of independence submitted by the independent directors to the NC for assessment and consideration. Each NEID has abstained from the deliberation of his own independence.

4.5 **Multiple listed company directorships and other principal commitments**

The NC ensures that new directors are aware of their duties and obligations and has adopted internal guidelines addressing competing time commitments that are faced when directors serve on multiple boards. The Board has determined that directors should not concurrently hold more than six listed company board representations. Where a director has multiple board representations, the NC also considers whether or not the director is able to and has adequately carried out his duties as a director of the Company. The NC is satisfied that sufficient time and attention are being given by the directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions Corporate Governance Practices of the Company

5.1 **Assessment of effectiveness of the Board and Board Committees and assessing the contribution by individual directors**

The Board has, through the NC, implemented an annual evaluation process to assess the effectiveness of the Board, the Board Committees and the contributions by each individual director. The NC is also responsible for deciding how the Board's performance may be evaluated and considers practical methods to assess the effectiveness of the Board, Board Committees and the individual director.

5.2 The evaluation of Board's performance deals with matters on Board composition, information to the Board, Board procedures, Board accountability, the Board's oversight of short and long term performance, review of capital budgets and strategic plans, managing unforeseen circumstances, CEO / Top Management evaluation and succession planning and standards of conduct of Board members. The Board Committees' evaluation deals with the efficiency and effectiveness of each committee in assisting the Board, in terms of committee composition, providing useful recommendations, discharging of committee chairman responsibilities and communications to the Board. The criteria for the evaluation of individual directors include amongst others, attendance at meetings, directors' duties, their contribution to the testing and development of strategy and to risk management, know-how and interaction with fellow directors, senior management, shareholders and auditors.

The completed forms are returned to the Company for compilation of scores. The compiled results are then tabulated and presented at the NC Meeting for the NC's review. The Chairman of the NC will then present the deliberations of the NC to the Board.

No external facilitators were used in the assessment of the Board as a whole, its Board Committees and the individual directors.

REMUNERATION MATTERS

Procedures for developing remuneration policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions Corporate Governance Practices of the Company

6.1 **RC to recommend remuneration framework and packages**

The principal function of the RC is to ensure that a formal and transparent procedure is in place for fixing the remuneration framework and specific remuneration packages for the directors and key management personnel of the Group.

The duties of the RC under its terms of reference are as follows:

- a) reviewing and recommending to the Board, a remuneration policy framework and guidelines for remuneration of the Board and the CEO and key management personnel;
- b) determining specific remuneration packages for each of the directors and key management personnel covering all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;
- c) seeking expert advice inside and / or outside the Company on remuneration of all directors, if necessary, and ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;
- d) periodically considering and reviewing remuneration packages in order to maintain their attractiveness, so as to retain and motivate the directors and key management personnel; and
- e) considering the implementation of schemes to encourage non-executive directors to hold shares in the Company so as to better align the interests of such non-executive directors with the interests of shareholders .

The RC's considerations and recommendation for the fee framework of NEIDs had been made in consultation with the Co-Chairman of the Board and had been endorsed by the entire Board, following which the recommendation is tabled for shareholders' approval at the Company's AGM. No member of the RC or the Board participated in the deliberation of his/her own remuneration.

6.2 **Composition of RC**

The RC, regulated by a set of written terms of reference, comprises the following three independent non-executive directors as at the date of this report:

Chairman : Adrian Chan Pengee
Member : Lee Sen Choon
Member : Chester Fong Po Wai

6.3 **RC to consider and ensure all aspects of remuneration is fair**

The RC considers all aspects of remuneration, namely, director's fees, salaries, allowances, bonuses, share-based incentives and awards, other benefits-in-kind and termination terms, to ensure that they are fair. The remuneration packages of the executive directors are based on their respective service agreements. There are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the executive directors.

6.4 **Expert advice on remuneration**

The RC has been reviewing the ED's remuneration annually and has asked for market benchmarking studies to be conducted on a regular basis. In June 2023, the RC and the Board engaged HRguru for another market benchmarking exercise which was completed in August 2023.

HRguru reviewed the remuneration structure of the EDs individually and in aggregate against 41 comparable listed companies in Singapore where the controlling shareholders are similarly in management as in the case of Best World. Based on an above average financial performance vis-à-vis the comparable companies, the RC is satisfied that the total compensation for the ED's is competitive. The RC also adopted HRguru's recommendation to raise the performance threshold for the bonus payout, to better align with market practices, while continuing to motivate the ED's to sustain their performance in driving the profitability of the company.

HRguru is an independent consulting company, selected after considering two other consulting firms. HRguru does not have any relationship with the company that could affect its independence and objectivity and worked mainly with the RC and the company's HR manager for data collection and other administrative matters while EDs recused themselves from the benchmarking exercise.

Summary of RC's activities in FY2023

- Completed remuneration benchmark study and effected changes to executive directors remuneration structure in the next executive directors service contract renewal and the level of NEIDs remuneration to more align with market practice;
- Reviewed the remuneration package of employees who are substantial shareholders, or are immediate family members of a director or CEO or substantial shareholder; and
- Reviewed the remuneration packages for key management personnel.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions **Corporate Governance Practices of the Company**

7.1 and 7.3 **Remuneration of executive directors and other key management personnel are appropriately structured to link rewards to performance**

The remuneration of the Company's directors and key management personnel has been formulated to attract, retain and motivate individuals the Group relies on to provide good stewardship to the Company, achieve its business strategy and create long-term value for its shareholders. The RC believes that fair performance-related pay should motivate good corporate and individual performance and that rewards should be closely linked to and commensurate with it.

Executive directors do not receive directors' fees. They have service agreements with the company that are renewed every year. In addition to the basic salary component and benefits-in-kind, the executive directors' remuneration is linked to performance via a tiered incentive bonus based on profit before tax. The RC reviews the audited group financial results against the bonus achieved before approving the distribution of the annual incentive bonus.

The Co-Chairman is consulted by the RC on matters relating to the other executive directors and key management personnel who report to her on matters relating to the performance of the Company. She duly abstained from participation in discussions and decisions on her own remuneration.

Key management remuneration comprises basic salary and variable bonuses which are based on individual and the performance of the Group as a whole for that year. Key performance indicators that determine performance are different for each key management personnel.

The Company has contractual provisions for key management positions whereby the Company shall have the right to reclaim all or any portion of bonus payment within the last three fiscal years in the event of significant restatement of the Company's financial statements due to fraud or misconduct committed by the bonus recipient.

Long Term Incentive Scheme

The Company had an employee share award scheme known as the BWI Performance Share Scheme (the "Scheme"), administered by the RC. The Scheme provides an opportunity for employees who met performance targets to receive their bonus through an equity stake in the Company instead of receiving cash, based on the market closing price on the day that the share award vests. The Circular to Shareholders dated 8 April 2009 containing the details of the Scheme is available to shareholders upon request.

In 2018, 231,600 shares were granted through the use of our treasury shares on 18 April 2018 to employees who opted into the Scheme. No new shares have been issued during the financial year by virtue of the grant of share awards under the Scheme.

The Scheme was at the end of its 10-year duration and was discontinued on 30 April 2019.

Remuneration of non-executive director dependent on contribution, effort, time spent and responsibilities

The non-executive directors are paid director's fees, consisting of a base fee for their appointment as Board members and additional fees for more responsibilities, such as chairing a board committee or being appointed a member of a board committee or taking up the appointment of Lead Independent Director. Fees are structured taking into account the responsibilities, contribution, effort and time spent by the non-executive directors.

The fee structure for FY2023 is as follows:

NEID appointment		Fees
Board	Lead Independent Director	4,000
	Member	67,000
Nominating Committee (NC)	Chairman	13,000
	Member	5,200
Remuneration Committee (RC)	Chairman	13,000
	Member	5,200
Audit Committee (AC)	Chairman	16,000
	Member	6,400

The RC had recommended to the Board an amount of S\$280,600 as Directors' fees to be paid for FY2023 (FY2022: S\$245,000), which will be tabled for shareholders' approval at the forthcoming AGM.

DISCLOSURE OF REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions **Corporate Governance Practices of the Company**

8.1 **Remuneration disclosures of directors and key management personnel; Details of employee share schemes**

For competitive reasons and difference in salary benchmarks across the countries the Group operates in, the Company discloses the remuneration of individual executive directors and the top five key management personnel on a named basis in bands of S\$250,000. The Board's view is that it is not in the Company's interest to disclose the exact remuneration of each individual director and the CEO, taking into consideration the highly competitive human resource environment for such personnel, and that such disclosure of specific remuneration information may give rise to recruitment and retention issues. The Company believes that shareholders' interest will not be prejudiced by the non-disclosure of each individual director's and the CEO's individual remuneration.

Please also refer to Provisions 7.1 and 7.2 above for further details on the Company's policy and criteria for setting remuneration. The Company is of the view that through the disclosures made in the Annual Report, there is sufficient transparency in its practices which are consistent with the intent of Principle 8 of the Code.

Remuneration Bands / Remuneration						
		Salary ¹ (%)	Bonus (%)	Benefits- in-kind (%)	Fees (%)	Total (%)
Executive Directors						
Dora Hoan Beng Mui	\$10,750,000 to \$11,000,000	8	91	1	-	100
Doreen Tan Nee Moi	\$10,750,000 to \$11,000,000	8	91	1	-	100
Huang Ban Chin	\$6,500,000 to \$6,750,000	9	90	1	-	100
Independent Directors						
Lee Sen Choon	\$97,400	-	-	-	100	100
Adrian Chan Pengee	\$91,600	-	-	-	100	100
Chester Fong Po Wai	\$91,600	-	-	-	100	100
Top Five Key Management Personnel						
Jansen Tang	\$1,500,000 to \$1,750,000	13	87	-	-	100
Simon Yeh	\$1,000,000 to \$1,250,000	19	81	-	-	100
Jerry Lu	\$500,000 to \$750,000	30	70	-	-	100
Koh Hui	\$500,000 to \$750,000	48	51	1	-	100
Sugiharto Husin	\$250,000 to \$500,000	46	54	-	-	100

¹ Comprises salary and all CPF contributions

There are no extraordinary termination, retirement and post-employment benefits granted to the directors and the top five key management personnel. Compensation for immediate termination is the notice period remuneration unless termination is due to misconduct, where no compensation will be granted.

The aggregate of the total remuneration paid to the top five key management personnel for FY2023 was S\$4,537,823.

8.2 Remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company

Details of the remuneration of employees who are immediate family member (defined in the Listing Manual as the spouse, child, adopted child, stepchild, brother, sister and parent) of a director, the CEO or a substantial shareholder, in the employment of the Company whose annual remuneration exceeded S\$100,000 during FY2023 are disclosed as follows:

Immediate Family Member of Director	Relationship with Director	Designation	Remuneration Bands
Hoan Beng Hua	Brother of Dora Hoan Beng Mui	Senior Production Supervisor	S\$100,000 – S\$200,000

8.3 Details of Employee share schemes

There was no employee share scheme offered by the Company during the year. Disclosure on all forms of remuneration are sufficiently disclosed in this report under Principles 6, 7 and 8 and in the financial statements of the Company and the Group.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provisions **Corporate Governance Practices of the Company**

9.1 **Board determines the nature and extent of risks**

The Board has instituted risk tolerance levels to guide Management in the course of operations and achieving its strategic objectives. These tolerance levels were drafted based on the top risks identified by the Enterprise Risk Management (“ERM”) committee. Board approval is required for initiatives involving greater risk exposures that exceed the predetermined levels. The Group’s Investment Guideline Policy sets out the policies and guidelines for investments of more than S\$500,000. Pursuant to the Investment Guideline Policy, all investments must be initiated by the Directors and assisted by the Treasury Division of the Finance department and Corporate Legal Manager of the Company. Once a potential investment is identified, the target will be brought to the attention of the Board in writing or during a board meeting. A working group which includes but is not limited to the management, legal counsel, certified public accountants, as well as relevant employees which the directors assign to be in the working group, will be formed. A financial adviser may also be involved for material transactions where appropriate. Upon completion of the due diligence and valuation exercises, the working group will present the final investment proposal to the Board for approval. In accordance with Chapter 10 of the Listing Manual of the SGX-ST, the investment may also be conditional upon the approval of the Company’s shareholders and the SGX-ST. Completed investments will be analysed during the board meetings on a half-yearly basis as part of the enterprise risk management updates.

The ERM Committee comprises the Executive Director and Chief Operating Officer – Mr Huang Ban Chin, department heads and chaired by the Lead Independent Director – Mr Lee Sen Choon who assists the Board on risk management. The key components of the Company’s risk management framework include:

- Risks assessment – Risks that the Company is exposed to are identified, assessed and updated in the risk register. The risks are rated and ranked according to the likelihood and its impact. Top risks are highlighted for extra emphasis.
- Risks monitoring – Risks are monitored through internal audits, internal reviews, questionnaires circulated to subsidiary management and the control self-assessment (“CSA”) programme.
- Risks response & risks reporting – The ERM committee holds regular meetings to discuss risk issues, new initiatives and reports material findings uncovered from risk monitoring. These meetings are thoroughly minuted and form part of the Board papers presented to the Board. Key risks exposures and statuses are also compiled in a risk reporting summary and submitted for Board review.

The top 5 risks faced by the Group are identified below:

1) Business concentration risk in China

About half of the Group’s business comes from China. Apart from dealing with macroeconomic headwinds, we also need to be mindful of cultural and historical elements in the company’s external communication, from our internal documents to our publications on social media and product labels on products sold in China, to meet expectations of all stakeholders.

2) Breach of Personal Data Protection Act

We collect, receive, store and process personal information and other data from our members in the course of business. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to users or other third parties, or any privacy laws or regulations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or members’ personal data, may result in governmental enforcement actions, litigation or public statements

against us or generally affect our members' confidence in our security systems, all of which would detrimentally affect our reputation and adversely affect our business.

We have in place a cyber security team to shore up our cyber defences capabilities and established policies to ensure compliance with PDPA, reduce and protect private information in our reports and systems. In addition, we also procured insurance to cover against possible damages due to cyber-attacks. Aligned with our steadfast commitment to the continuous development of our Cyber Security and Data Protection posture, we recently underwent certification and attained the Cyber Trustmark Tier 3 and Data Protection Trustmark, affirming the security of our systems and our dedication to safeguard sensitive information.

3) Unauthorized alteration to membership information in our IT systems

BWI's business relies on IT systems that stores membership information such as sales achieved by members, commission earned and member bank account details. Any unauthorized manipulation of system data could result in alteration of the commission payments.

Automated monitoring & alert mechanisms are in place to detect unauthorized system usage. In the event of a unauthorized alteration attempt, there will be several layers of defense in place to automatically detect and block. In the event automated defenses fail, administrators will be alerted of the breach for manual intervention. All attempts to alter data regardless legitimate or malicious will be logged in the audit logs.

4) Risks associated with managing business operations internationally such as foreign exchange movements, currency restrictions, regulatory compliance and tariff changes due to geopolitical issues.

As the company operates internationally, revenue is generated in various currencies which may fluctuate significantly against the Singapore dollar. Remittance of funds back to HQ may also be subjected to currency restrictions and other regulations. Depending on geopolitical developments, trading restrictions and tariffs maybe imposed between countries.

BWI monitors rate fluctuations and work together with professionals to manage foreign exchange exposures using hedging techniques and financial instruments. BWI also monitors regulations and geopolitical developments closely and plan accordingly if situation changes have medium to long term impact.

5) Effects of climate change

Our assessment of physical and transitional risks relating to climate related events that may impact the Group are as follows,

- increase in cost of manufacturing and operations
- impact from floods or chronic climate-related events
- impact from stress in workforce (due to extreme weather condition) and increasing strain on operations resulting in errors and loss of care

Though the shift in consumer preference to environmentally friendly products is typically a transition risk, Best World was able shift its manufacturing and packaging strategies to greener practices, turning the risk into an opportunity.

Overall the financial impact of the above identified risks are assessed to be relatively low at the moment. However the effects of climate change are still developing and will require constant monitoring to ensure minimal disruption to our operations.

The CSA programme established provides a framework to obtain feedback on the state of internal controls. The programme requires subsidiaries to review and report annually on the effectiveness of controls and the control environment to HQ and significant findings are reported to the Board. Periodically, internal audit and independent reviews would be conducted to validate the self-assessments.

Based on the system of internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees, the Board, with the concurrence of the Audit Committee is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls and risk management systems were adequate and effective as at 31 December 2023.

The internal controls maintained by the Management provide reasonable but not absolute assurance against material misstatements or loss, and the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with relevant legislation, regulation and best practice and containment of business risk.

9.2 **Assurance from the Co-Chairman, Group CEO / Managing Director, Senior Group Financial Controller and other key management personnel**

The Board has received assurance from (a) the Co-Chairman, Group CEO / Managing Director and the Senior Group Financial Controller that the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the Co-Chairman, Group CEO / Managing Director and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

9.3 **Legal review of China business model**

In addition, we have instituted an annual independent legal review of our business model in China in recent years.

- 1) The Company continued to engage Merits and Tree (Beijing) Law Office to provide updates to the Supplementary Legal Opinion, dated 28 March 2024. In their report, Merits and Tree reviewed key areas such as 1) the continuing collaboration with SDIC Human Resources Co., Ltd and the automatic renewal of their service agreement, which led to the firm keeping the opinion that was previously issued in the Supplementary Legal Opinion that the arrangement under the Service Agreement could reduce the risk to Best World (China) Pharmaceutical Co., Ltd. and Best World International Limited, 2) researched the laws and regulations related to ChuanXiao and direct selling and found no changes since 1 January 2023 and 3) searched for administrative penalties during the period from 1 January 2023 to 28 March 2024 through Wolters Kluwer, Administrative Penalty Decision Network, Zhejiang Province administrative punishment information public network and China Judgement Online on 28 March 2024 and found that the company has not been administratively punished by any Chinese authorities for engaging in ChuanXiao or direct selling activities within the Period.
- 2) The Company also obtained from Dentons Beijing Office ("Dentons") an updated independent legal opinion on the legality of the Company's Sales Operation Mode in China dated 28 March 2024 (hereinafter referred to as "Dentons Update") for the period from 1 January 2023 to 28 March 2024 as an update to the Legal Opinion issued by Dentons. Dentons Update is of the view that it is of low risk that the business modes of the three companies (namely Best World (China) Pharmaceutical Co., Ltd, Hunan Branch of Best World (China) Pharmaceutical Co., Ltd, and Best World Lifestyle Co., Ltd.) in China are deemed to violate the Regulations on Direct Selling Administration and Regulations on the Prohibition of Pyramid Selling and they have not been punished by the Supervision Department for six years; therefore, the risk of the above three companies being administratively punished by the government regulatory authorities for alleged ChuanXiao is low.

Based on the Merits and Tree Update and Dentons Update, the Board is of the view that the risk of the Group's business model in China being held to be in non-compliance with the direct selling and ChuanXiao laws in China continues to be remote and that the possibility of the Group being penalized by the relevant Chinese regulatory authority in relation to the above remains low.

AUDIT COMMITTEE

Risk Management and Internal Controls

Principle 10: The Board has an Audit Committee (“AC”) which discharges its duties objectively.

Provisions **Corporate Governance Practices of the Company**

10.1 **Duties of AC**

The AC assists the Board in discharging its responsibility to safeguard the Company’s assets, maintain adequate accounting records, develop and maintain effective systems of internal control. The duties of the AC are as follows:

External Audit

- a) review with the external auditors and Management on the following:-
 - i) the audit plan;
 - ii) significant financial reporting issues and judgments so as to ensure integrity of the financial statements of the company and any announcements relating to the company’s financial performance;
 - iii) their audit report; and
 - iv) their management letter and Management’s response.
- b) ensure co-ordination where more than one audit firm is involved;
- c) review the quarterly, half-year and annual financial statements and earnings releases before submission to the Board for approval;
- d) meet with the external auditors and internal auditors at least once a year in the absence of Management to discuss issues arising from the audit, including the assistance given by the Management to the auditors;
- e) report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- f) undertake such other reviews and projects as may be requested by the Board;
- g) undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time;
- h) consider and recommend to the Board, the appointment / re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- i) review the independence of the external auditors annually and the aggregate amount of fees paid to the external auditors for that financial year and a breakdown of the fees paid in total for audit and non-audit services; and
- j) ensure that the external auditor has direct and unrestricted access to the Chairman of the Board and the AC.

Internal Audit

- a) review and report to the Board at least annually on the adequacy and effectiveness of the Company’s risk management and internal controls, including financial, operational, compliance and information technology controls;
- b) review internal audit programme and the scope and results of the internal audit and its effectiveness;

- c) review the appointment, removal, evaluation and compensation of the internal auditors;
- d) review and monitor Management's responsiveness to the internal audit findings and recommendation; and
- e) ensure that the Head of Internal Audit has direct and unrestricted access to the Chairman of the Board and the AC.

Interested Person Transactions ("IPT")

- a) approve the internal control procedures and arrangements for all future related party transactions to ensure that they are carried out on arm's length basis and on normal commercial terms;
- b) review transactions falling within the scope of Chapter 9 (Interested Person Transactions);
- c) consider the need for a general mandate for IPT and obtain independent advisory support, if required;
- d) where a general mandate is being renewed, consider if the basis of determining the transaction process is adequate to ensure fair transaction terms;
- e) direct Management to present the rationale, cost-benefit analysis and other details relating to IPT subject to specific mandate; and
- f) receive report from Management and internal audit on IPT.

Internal Control

- a) assess the effectiveness of the internal control and risk management systems established by the Management to identify, assess, manage and disclose financial and non-financial risks at least once a year;
- b) review the statements included in the annual report on the Group's internal controls and risk management framework;
- c) review reports from Management and internal auditors on the effectiveness of the systems for internal control, financial reporting and risk management; and
- d) review the Group's procedures for detecting fraud and whistleblowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

Risk Management

- a) advise the Board on the Group's overall risk tolerance and strategy;
- b) oversee and advise the Board on the current risk exposures and future risk strategy of the Group;
- c) in relation to risk assessment, (i) keep under review the Group's overall risk assessment processes that inform the Board's decision making; (ii) review regularly and approve the parameters used in these measures and the methodology adopted; and (iii) set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance;
- d) review the Group's capability to identify and manage new risk types;
- e) before a decision to proceed is taken by the Board, advise the Board on proposed strategic transactions, focusing particularly on risk aspects and implications for the risk tolerance of the Group, and taking independent external advice where appropriate and available;
- f) provide advice to the Remuneration Committee on risk weightings to be applied to performance objectives incorporated in executive remuneration;

g) review promptly all relevant risk reports on the Group; and

h) review and monitor the Management's responsiveness to the findings.

Apart from the above duties, the AC will commission and review the findings of internal investigations into matters where there is suspicion of fraud or irregularity, or failure of internal controls or infringement of any Singapore law or regulation or rules of the SGX-ST or any other regulatory authority in Singapore which has or is likely to have a material impact on the operating results and/or financial position.

In performing its duties, the AC:

(i) has met with the internal and external auditors, without the presence of management, at least once a year;

(ii) has explicit authority to investigate any matter within its terms of reference;

(iii) has had full access to and cooperation from Management and has full discretion to invite any director and executive officer to attend its meetings; and

(iv) has been given reasonable resources to enable it to discharge its functions properly.

The AC noted that there were no non-audit services provided by the external auditors to the Company in FY2023 that may impair the independence or objectivity of the external auditors of the Company. As at 31 December 2023, total fees paid/payable amounted to S\$428,300, comprising only of audit fees.

The AC had recommended to the Board that the auditors, CLA Global TS Public Accounting Corporation, be nominated for re-appointment as auditors at the forthcoming AGM of the Company.

The auditors, CLA Global TS Public Accounting Corporation, have indicated their willingness to accept reappointment.

In recommending the re-appointment of the auditors, the AC considered and reviewed various factors including the adequacy of resources, the experience of the auditing firm and the audit engagement partner, the firm's other audit engagements, the number and experience of supervisory and professional staff to be assigned to the audit, the size and complexity of the Group and its businesses and operations. Accordingly, the AC has recommended the re-appointment of CLA Global TS Public Accounting Corporation as external auditors at the AGM of the Company.

The Company has in place a whistle-blowing policy to empower employees with avenues to report suspected fraud, corruption, dishonest practices and other acts of misconduct. The policy is available on the company website and includes contacts of the HQ compliance team and members of the AC. Independence is ensured as matters relating to subsidiaries can be referred to the HQ compliance team and matters relating to HQ can be referred to the AC. An independent team reporting directly to the ERM committee or the AC will be established according to the severity of the incident to follow up on the report. All information received will be kept confidential to protect the identity (if available) and the interest of all whistle blowers. Those found to have taken reprisal actions or victimized the whistle blower shall face disciplinary action, including the possibility of dismissal. All disclosures made through the whistle blowing channel are recorded and reported to the AC on a half-yearly basis, together with the findings and follow-up actions taken. There were no significant matters raised through the whistle blowing channel in FY2023.

Summary of AC's activities in FY2023

(i) reviewed the financial statements of the Company before the announcement of the Company's quarterly and full-year results;

(ii) together with the COO and Senior Group Financial Controller and where applicable, the external auditors, reviewed the key areas of Management's judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes thereto that would have a material impact on the financials;

- (iii) reviewed and approved both the Group internal auditor's and external auditor's plans to ensure that the plans covered sufficiently in terms of audit scope in reviewing the significant internal controls comprising financial, operational, information technology and compliance controls of the Company;
- (iv) reviewed the independence and objectivity of the internal and external auditors through discussions with the internal and external auditors;
- (v) reviewed non-audit fees, where applicable;
- (vi) reviewed the appointment of different auditors for its subsidiaries;
- (vii) reviewed the accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group;
- (viii) reviewed the internal audit functions and discussed accounting implications of major transactions including significant financial reporting issues;
- (ix) reviewed interested party transactions;
- (x) reviewed with the COO, Senior Group Financial Controller and external auditors on the changes to accounting standards and issues which are relevant to the Group and have a direct impact on the Group's financial statements; and
- (xi) reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2023 as well as the Independent Auditor's Report thereon before submitting them to the Board for its approval.

Financial Reporting Matters

In the review of the financial statements for FY2023, the following significant matters impacting the financial statements and its disclosures were reviewed by the Audit Committee and discussed with Management and the external auditors.

Significant Matter	Comments by the Audit Committee
Business model in China	<p>The Audit Committee notes that management instituted a recurring annual legal review of the business model in China (Provision 9.3)</p> <p>Additionally, the external auditor also performed work to understand the business model, reviewed the updated legal opinions, performed independent searches for legal and compliance issues relating to the Group, considered provisions of relevant accounting standards and the adequacy of disclosures in the financial statements.</p> <p>The Audit Committee is satisfied that sufficient work has been done to monitor this area of concern.</p>
Revenue recognition	<p>The Audit Committee discussed the key audit matter with the external auditors and is satisfied with the audit procedures performed by the external auditors over revenue recognition.</p>
Valuation of put and call option	<p>The Audit Committee was apprised of the work done by the external auditor in assessing the independence and competency of the valuer engaged by management, the appropriateness of the valuation methodologies used, the reasonableness of assumptions and also consider the adequacy of the disclosures in the financial statements.</p> <p>The Audit Committee considers the valuation approach, estimates and assumptions adopted and disclosures in the financial statements to be appropriate.</p>

Rule 1207(6) and Rules 712 and 715 and/or Rule 716 of the SGX-ST Listing Manual

The Board and AC have reviewed the appointment of different auditors for its subsidiaries and significant associated companies and were satisfied that such appointment would not compromise the standard and effectiveness of the audit of the Group and that Rule 716 of the Listing Manual has been complied with. Refer to Note 16 “Investments in subsidiary corporations” of the Notes to the Financial Statements for the subsidiaries audited by different auditors.

In appointing the audit firms for the Company, its subsidiaries and significant associated companies, the Audit Committee and the Board are satisfied that the Group has complied with Listing Rules 712, 715 and 716.

10.2 **Composition of AC**

The AC, regulated by a set of written terms of reference, comprises three NEIDs, all of whom are non-executive, and the majority of whom, including the AC Chairman, are independent.

Chairman : Lee Sen Choon
Member : Adrian Chan Pengee
Member : Chester Fong Po Wai

The AC Chairman, Lee Sen Choon, has more than 30 years of experience in accounting, auditing, taxation and corporate secretarial work. The other members of the AC possess experience in finance, legal, business management and are exposed to regular updates from the relevant regulators. They are considered to be well qualified by the Board to discharge their duties in the AC.

The AC members take measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements through periodic meetings with the external auditors, briefings provided by professionals or external consultants as necessary.

10.3 **AC does not comprise former partners or directors of the Company’s auditing firm**

None of the AC members were previous partners or directors of the Company’s existing auditing firm or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation and none of the AC members hold any financial interest in the auditing firm or auditing corporation.

10.4 **Primary reporting line of the internal audit function is AC; internal audit function has unfettered access to Company’s documents, records, properties and personnel**

The internal audit function of the Company is outsourced to an external consulting firm – BDO LLP, who has unfettered access to all the Company’s documents, records, properties and personnel, including access to the AC. The Internal Audit methodology adopted by the internal auditors is consistent with the requirements of The Institute of Internal Auditors.

The AC has reviewed the adequacy and effectiveness of the internal audit function and is satisfied that the internal audit function is independent, effective and adequately resourced, has unfettered access to all the Group’s documents, records, properties and personnel, including the AC, and has appropriate standing within the Company. The AC is satisfied that the internal audit function is adequately resourced and is independent of the activities it audits.

The AC approves the hiring, removal, evaluation and compensation of the internal audit function. Based on risk assessments performed, greater emphasis and appropriate internal reviews are planned for high risk areas and material internal controls, including compliance with the Group’s policies, procedures and regulatory responsibilities. The internal audit plans are reviewed and approved by the AC annually.

10.5 **AC meets with the auditors without the presence of Management annually**

Annually, the AC meets (physically or via teleconference) separately with the internal and external auditors without the presence of Management.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions Corporate Governance Practices of the Company

11.1 Company provides shareholders with the opportunity to participate effectively and vote at general meetings

The upcoming Annual General Meeting of the Company (the "AGM") will be held in a purely physically manner. Please refer to the important notes on the Notice of Annual General Meeting for details on how to participate at the AGM.

Management supports the Code's principle to encourage shareholder participation. Shareholders are encouraged to attend the AGM to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Notice of the general meeting is dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 days or 21 days, as the case may be, before the general meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the general meeting.

In general meetings, shareholders are given the opportunity to communicate their views and direct questions to directors and Management regarding the Company. The Chairpersons of Board Committees are present at the AGM and other general meetings of shareholders, to assist the Board in addressing shareholders' questions.

Shareholders are also given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing such meetings are clearly communicated to attendees.

In accordance with Rule 730A(2) of the Listing Manual and to have greater transparency in the voting process, the Company has conducted the voting of all its resolutions by poll at all of its general meetings. The detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total numbers of votes cast for or against the resolutions are also announced after the meetings via SGXNet.

11.2 Separate resolution on each substantially separate issue

Resolutions to be passed at general meetings are always separate and distinct in terms of issue and are consistent with the Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

11.3 All directors attend general meetings

All directors will be in attendance at the Company's AGM to address shareholders' questions relating to the work of the Board and Board Committees.

The Company's external auditors, CLA Global TS Public Accounting Corporation, have also been invited to attend the AGM and will be available to assist the directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditor's report. All directors attended the Company's last AGM in FY2022 via electronic means on 27 April 2023.

11.4 Company's Constitution for absentia voting of shareholders

Provision 11.4 of the Code recommends that the Company's Constitution allow for absentia voting at general meetings of shareholders. The Company's Constitution allows for absentia voting at general meetings of shareholders, including but not limited to voting by mail, electronic mail or facsimile. As the authentication of shareholder identity and other related security and integrity issues still remains a concern, the Company has

decided for the time being, not to implement absentia voting methods such as voting by mail, electronic mail or facsimile. Notwithstanding variation from Provision 11.4 of the Code, the Company is of the view that the intent of Principle 11 is still met as the existing arrangement whereby shareholders have the right to appoint proxies to attend general meetings and vote on their behalf enables shareholders to exercise their rights and have the opportunity to vote even if they are unable to attend in person.

11.5 **Minutes of general meeting are published on the Company's corporate website**

In accordance with Guidance 6 of the Practice Note 7.5 General Meetings of the SGX Listing Manual, the Minutes of AGM will be published within one month after the AGM on SGXNET. Minutes of the AGM shall be published on (i) the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements> and (ii) the Company's corporate website at the URL <https://bestworld.listedcompany.com/newsroom.html>. The minutes will include the responses to substantial and relevant questions received from shareholders which are addressed during the AGM.

11.6 **Dividend policy**

In view of the Group's short and medium term commitment which include but are not limited to, working capital requirements and corporate actions capital needs, as well as taking into consideration the uncertain business climate, no dividends have been declared/recommended by the Board for the financial year ended 31 December 2023.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions Corporate Governance Practices of the Company

12.1 **Company provides avenues for communication between the Board and shareholders**

The Company is committed to regular and timely communication with shareholders as part of the organization's development to build systems and procedures that will enable the Group to compete internationally. The Company communicates information to its shareholders on a timely basis through:

- a) Disclosures via SGXNet and press releases on major developments of the Group;
- b) The Group's website at www.bestworld.com.sg from which shareholders can access. The website provides all publicly disclosed financial information, corporate announcements, press releases and the annual report;
- c) Annual reports which are prepared and issued to all shareholders; and
- d) Share investor online portal which provides the Company's share updates and all publicly disclosed information.

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the directors or the Management questions regarding the Company and its operations.

12.2 **Company has in place an investor relations policy and the policy set out the mechanism of communication between the shareholders and the Company**

The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. Pursuant to the Best World Investor Relations Policy, the Group strives to disseminate all price-sensitive and pertinent information to its Shareholders and the investment community in an accurate, fair and timely manner on a non-selective basis.

- 12.3 The Best World Investor Relations Policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions. In particular, shareholders and the investment community can contact the Company's Investor Relations team by telephone at (65) 6899 0088 during office hours or via email at IR@bestworld.com.sg. This is communicated to shareholders and the investment community on the Company's corporate website.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions **Corporate Governance Practices of the Company**

13.1 **Engagement with material stakeholder groups**

The Company has appropriate channels in place to identify and engage with its key stakeholder groups. The Company recognizes the importance of understanding the Group's businesses and regular interactions with key stakeholders to determine material issues for the Group's businesses as part of sustainability reporting.

- 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships are disclosed under "Stakeholder Engagement" of the FY2023 Sustainability Report.

13.3 **Corporate website to engage stakeholders**

The Company provides timely and informative updates relating to company announcements, quarterly financial results announcements, news releases and corporate presentations on its corporate website. Moving forward, the Company will include more details on its management of stakeholder relationships during the reporting period, including best practices for compliance.

DEALING IN SECURITIES

- Rule 1207(19) of the SGX-ST Listing Manual The Company has adopted the requirements in SGX-ST's Rule 1207(19) applicable to dealings in the Company's securities by its directors, Management and officers. Directors, Management and officers of the Group who have access to price-sensitive, financial or confidential information are prohibited to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements.

Directors, Management and officers of the Group are also advised to observe insider trading provisions under the Securities and Futures Act 2001 at all times even when dealing in the Company's securities within the permitted trading periods. In addition, the directors, Management and officers of the Group are discouraged from dealing in the Company's securities on short-term considerations.

MATERIAL CONTRACTS

- Rule 1207(8) of the SGX-ST Listing Manual Save for the Service Agreements entered into with Dora Hoan Beng Mui, Doreen Tan Nee Moi and Huang Ban Chin, which are still subsisting as at the end of FY2023, there are no material contracts involving the interests of the CEO, the directors or controlling shareholders entered into by the Group which are still subsisting as at the end of the financial year or entered into during the financial year.

SUSTAINABILITY REPORTING

Rule 711(A) - 711(B) of the SGX-ST Listing Rules

The Group is committed and passionate about contributing back to society in meaningful ways. In addition, we believe that the effective management of environmental, social and governance (ESG) risks and opportunities can help us to deliver long-term value to our stakeholders.

The Company published its FY2023 Sustainability Report (the “Report”), which is aligned to SGX-ST’s Listing Rules – Sustainability Reporting Guide, together with the Annual Report. This Report is publicly accessible via Best World’s website as well as on SGXNet.

INTERESTED PERSON TRANSACTIONS

Rule 1207(17) of the SGX-ST Listing Manual

The Company has adopted an internal policy that governs procedures for the identification, approval and monitoring of transactions with interested persons. All interested person transactions (“IPT”) are subject to review by the AC every quarter to ensure that they are carried out at arm’s length and the relevant rules in Chapter 9 of the Listing Manual of SGX-ST are complied with.

In the event that the Company or any of its subsidiaries proposes to enter into a contract or other transaction with one or more directors or with a corporation, firm, association or other entity in which one or more of the directors have a substantial financial interest or are officers or directors, the directors interested in the transaction shall:

- a) disclose his or her interest to the Board, prior to any vote on the transaction;
- b) in addition to compliance with a) above, recuse himself or herself from discussions, deliberations, or votes concerning the transaction; and
- c) not to be counted in determining the existence of a quorum.

In considering any transaction, the Board shall satisfy itself that the transaction is fair and reasonable to the Company and/or subsidiaries and does not constitute an excess benefit to the director interested in the transaction. Wherever feasible, the Board shall approve an IPT only after obtaining at least 2 other quotations from unrelated third parties for comparison, to ensure that the interests of minority shareholders are not prejudiced. The fee for services shall not be higher than the most competitive fee of the 2 other quotations from unrelated third parties. In determining the most competitive fee, the service provider, quality, delivery time and track record will all be taken into consideration.

When reviewing the IPTs, the director interested in the transaction will not be consulted in the selection process and will not be given the quotations received from the other service providers.

The Group did not obtain a general mandate from shareholders for Interested Person Transactions. The aggregate value of the interested person transactions entered into during FY2023 is as follows:-

Name of the interested person	Nature of relationship	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 transactions less than \$100,000)
		\$'000	\$'000
Pek Lu Pin	Daughter of Doreen Tan Nee Moi	17	NA
- Sales		316	NA
- Freelance commission paid		131	NA
- Marketing fee paid			
Pek Jia Rong	Daughter of Doreen Tan Nee Moi	20	NA
- Sales		399	NA
- Freelance commission paid			
Pek Jia Xuan	Daughter of Doreen Tan Nee Moi	31	NA
- Sales		103	NA
- Freelance commission paid			
Tan Geok Fong Felicia	Sister of Doreen Tan Nee Moi	12	NA
- Sales		46	NA
- Freelance commission paid		88	NA
- Marketing fee paid			
Huan Beng Choon	Brother of Dora Hoan Beng Mui	12	NA
- Sales		179	NA
- Freelance commission paid			
Audrey Koh Karmen	Spouse of Huang Ban Chin	4	NA
- Sales		2	NA
- Freelance commission paid		4	NA
- Marketing fee paid		145	NA
- Consultancy fee paid			
Seng Beng Huat	Live-in partner of Dora Hoan Beng Mui	128	NA
- Consultancy fee paid			

TABLE 2 – COMPOSITION OF BOARD AND BOARD COMMITTEES

Name of Director	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
Dora Hoan Beng Mui	Executive Chairman/ Non-independent	-	Member	-
Doreen Tan Nee Moi	Executive/Non-independent	-	-	-
Huang Ban Chin	Executive/Non-independent	-	-	-
Lee Sen Choon	Non-Executive/Independent	Chairman	Member	Member
Adrian Chan Pengee	Non-Executive/Independent	Member	Member	Chairman
Chester Fong Po Wai	Non-Executive/Independent	Member	Chairman	Member
Li Lihui ⁽¹⁾	Non-Executive/Non-Independent	-	-	-
Pek Wei Liang (Bai Weiliang) ⁽²⁾	Non-Executive/Non-Independent	-	-	-

Note: ⁽¹⁾ Alternate Director to Dora Hoan Beng Mui

⁽²⁾ Alternate Director to Doreen Tan Nee Moi

Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Best World International Limited (the "Company") and its subsidiary corporations (the "Group") and the statement of changes in equity of the Company for the financial year ended 31 December 2023 and the statement of financial position of the Company as at 31 December 2023.

In the opinion of the directors,

- (a) the consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Dora Hoan Beng Mui	
Doreen Tan Nee Moi	
Huang Ban Chin	
Lee Sen Choon	
Adrian Chan Pengee	
Chester Fong Po Wai	
Li Lihui	Alternate Director to Dora Hoan Beng Mui
Pek Wei Liang (Bai Weiliang)	Alternate Director to Doreen Tan Nee Moi

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interests in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2023	At 1.1.2023	At 31.12.2023	At 1.1.2023
The Company				
(No. of ordinary shares)				
Dora Hoan Beng Mui	32,330,000	32,330,000	193,037,500	193,037,500
Doreen Tan Nee Moi	31,380,000 ⁽¹⁾	31,380,000	193,037,500	193,037,500
Huang Ban Chin	23,300,000	23,300,000	-	-
Lee Sen Choon	207,500	207,500	-	-
Li Lihui	250,000	250,000	-	-

⁽¹⁾ Held in the name of Bank Julius Baer & Co. Ltd.

The directors' interests in the ordinary shares of the Company as at 21 January 2024 were the same as those as at 31 December 2023.

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under options at the end of the financial year.

Audit committee

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

Lee Sen Choon (Chairman of Audit Committee and Lead Independent Director)
Adrian Chan Pengee
Chester Fong Po Wai

The AC carried out its functions in accordance with Section 201B(5) of the Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and independent auditors of the Group and the Company;
- Reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the independent and internal auditors;
- Reviewed the effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Reviewed the quarterly and annual financial statements and the independent auditor's report on the annual financial statements of the Group and of the Company before their submission to the Board of Directors;
- Met with the independent auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

Audit committee (cont'd)

- Reviewed the legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and independence and objectivity of the independent auditor;
- Reviewed the nature and extent of non-audit services provided by the independent auditor, if any;
- Recommended to the Board of Directors the independent auditor to be nominated, approved the compensation of the independent auditor, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's ("SGX-ST") Listing Manual.

The AC convened four meetings during the financial year. The AC has also met with internal and independent auditors, without the presence of the Company's management, at least once a year.

The AC noted there was no non-audit services provided by independent auditor.

The AC has also conducted a review of interest party transactions.

The AC has recommended to the Board of Directors that the independent auditor, CLA Global TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors



.....
Dora Hoan Beng Mui
Director



.....
Doreen Tan Nee Moi
Director

28 March 2024

Independent Auditor's Report to the Members of Best World International Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Best World International Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2023, the statements of changes in equity of the Group and the Company, and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 87 to 163.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics Applicable to Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Business model in China

Due to potential risks of violating the Direct Selling and Chuan Xiao Laws in China under the Group's previous business model, the Group has made changes on its business process under the Franchise Model progressively since June 2018. Based on legal opinions obtained in previous financial years, it has been concluded that the risk of violating laws and regulations in China is now remote under the Group's Franchise Model. However, the Group continues to place a significant focus on this area as laws and regulations in China may change, and it is essential for the Group to remain compliant with all laws and regulations. Therefore, the Group has engaged reputable and independent legal firms to review its current business process under the Franchise Model for the financial year ended 31 December 2023 and to provide legal opinions on its compliance with current laws and regulations in China.

We focused on this area as a key audit matter due to non-compliance with laws and regulations could potentially impact the Group's financial performance and bring on legal liabilities.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

(a) Business model in China (cont'd)

How our audit addressed this key audit matter

In obtaining sufficient audit evidence, we have performed the following procedures:

- Discussed and obtained an understanding on the Group's business model in China and performed walkthrough of the business process by verifying to relevant supporting documents;
- Obtained and reviewed the independent legal opinions obtained by the management;
- Performed independent search on legal and compliance issues relating to the Group's operations in China via the TianYanCha platform. TianYanCha is a credit investigation institution established in accordance with laws and regulations and approved by government in China. It provides company background, shareholder information and relationship, industrial and commercial information, litigation related information, and etc;
- Assessed provisions to be recognised in accordance with SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*, if any; and
- Considered the adequacy of the disclosures in the financial statements.

(b) Revenue recognition

[Refer to Notes 2.2 and 4 to the financial statements]

Revenue is recognised at an amount that reflects the consideration in the contracts to which the Group expected to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, and when the Group satisfies a performance obligation by transferring a promised goods or services to the customer, which is when the customer obtains control of the goods or services at a point in time.

The Group primarily derives revenue from the direct selling and franchise segments and mainly from the operations in Singapore, China and Taiwan. During the financial year ended 31 December 2023, the Group's total revenue amounted to S\$514,510,000, of which, S\$222,123,000 (approximately 43%) was contributed by operations in China.

We focused on this area as a key audit matter due to a presumed fraud risk with regards to the revenue recognition and there was a history of goods being recorded as sold even though the goods were not delivered before the financial year end in China's operation.

How our audit addressed this key audit matter

In obtaining sufficient audit evidence, we have performed the following procedures:

- Discussed with management on the key internal controls and processes over the revenue cycles and performed walkthrough tests;
- Tested the key internal controls to ascertain the effectiveness of these controls in place over the revenue cycles;
- Evaluated management's assessment on the application of SFRS(I) 15 *Revenue from Contracts with Customers*, in particular, the five-step model for each revenue stream;
- Performed tests of detail, including cut-off procedures, as at the financial year end to ascertain whether revenue is recorded in the appropriate accounting period;
- Reviewed credit notes issued subsequent to the financial year end to ascertain that revenue are appropriately recognised for the current financial year;

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

- (b) Revenue recognition (cont'd)
[Refer to Notes 2.2 and 4 to the financial statements]

How our audit addressed this key audit matter (cont'd)

In obtaining sufficient audit evidence, we have performed the following procedures: (cont'd)

- Reviewed management journal entries to detect any unusual transactions in relation to revenue for evidence of fraud; and
- Considered the adequacy of the disclosures in the financial statements.

Specifically, in obtaining sufficient audit evidence on the occurrence of sales from China operation, we have performed the following procedures:

- Traced the orders placed by franchisees to the warehouse packing list and third-party logistic provider's delivery tracking list to ascertain the delivery of goods;
- Attended and observed the year-end stocktake observation at the third-party warehouse and performed inventories roll-back procedures as at 31 December 2023;
- Obtained confirmations from the franchisees on the sales transactions during the financial year;
- Verified the authenticity of the tax invoices via National Value-added Tax Invoice Verification platform of State Taxation Administration of China; and
- Vouched to supporting documents to ascertain:
 - Customer's acknowledgement of receipt of goods;
 - The timing of goods delivered by the third-party logistic provider with the customers;
 - Timing of recognition of revenue; and
 - The receipts of payments made by customers and traced to bank statements.

- (c) Valuation of put and call option
[Refer to Notes 19 and 27 to the financial statements]

On 3 April 2020, the Group has through its wholly-owned subsidiary corporation, MDUK Investment Pte. Ltd. ("MDUK"), entered into a sales and purchase agreement, to acquire 579 ordinary shares, representing 49.9% equity interests in Pedal Pulses Limited. As part of the acquisition, MDUK entered into a put and call option agreement with the owners of Pedal Pulses Limited.

As at 31 December 2023, fair value of the put and call option of the Group amounted to S\$12,624,000 and S\$1,184,000 respectively. Downward fair value adjustments of S\$1,635,000 have been recognised in the profit or loss for the financial year ended 31 December 2023.

The Group has appointed an independent professional valuer (the "Valuer") to assist in assessing the fair value of the put and call option.

We focused on this area as a key audit matter as the valuation process is inherently subjective and involves significant judgements in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied.

How our audit addressed this key audit matter

In obtaining sufficient audit evidence, we have performed the following procedures:

- Assessed the independence and competency of the Valuer, including the Valuer's professional qualifications and experience;

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

- (c) Valuation of put and call option (cont'd)
[Refer to Notes 19 and 27 to the financial statements]

How our audit addressed this key audit matter (cont'd)

In obtaining sufficient audit evidence, we have performed the following procedures: (cont'd)

- Together with our internal valuation specialists, reviewed and assessed the appropriateness of the valuation methodologies and reasonableness of the assumptions used by the management and Valuer; and
- Considered the adequacy of the disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Lee Look Ling.

**CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants**

**Singapore
28 March 2024**

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2023

	Note	2023 S\$'000	2022 S\$'000
Revenue	4	514,510	557,348
Cost of sales		(109,102)	(114,490)
Gross profit		405,408	442,858
Other income			
- Interest income – bank deposits		13,099	6,296
- Others	5	6,932	7,762
Other (losses)/gains			
- (Allowance)/Write-back for expected credit losses, net:			
- Trade receivables	21	(23)	16
- Other receivables	21	(15)	(12)
- Others	6	(6,955)	(29,511)
Expenses			
- Distribution		(156,865)	(143,740)
- Administrative		(92,257)	(94,894)
- Finance	8	(1,627)	(507)
Share of profit of a joint venture	17	743	694
Share of loss of an associate	18	(144)	(299)
Profit before income tax		168,296	188,663
Income tax expense	10	(47,821)	(52,404)
Net profit		120,475	136,259
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss:			
- Currency translation loss arising from consolidation, representing other comprehensive loss, net of tax		(3,815)	(10,081)
Total comprehensive income		116,660	126,178
Net profit attributable to:			
Equity holders of the Company		120,370	136,259
Non-controlling interests		105	-
		120,475	136,259
Total comprehensive income attributable to:			
Equity holders of the Company		116,542	126,045
Non-controlling interests		118	133
		116,660	126,178
Earnings per share for profit attributable to equity holders of the Company (S\$ cents per share)			
Basic and diluted earnings per share	11	27.74	28.82

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 31 December 2023

	Note	Group		Company	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	76,483	73,100	4,940	2,084
Investment property	13	1,054	1,073	-	-
Other intangible asset	14	7,387	7,629	-	-
Intangible assets	15	994	1,054	70	55
Right-of-use assets	25	23,402	21,498	12,044	8,803
Investments in subsidiary corporations	16	-	-	124,685	127,261
Investment in a joint venture	17	25,528	25,600	-	-
Investment in an associate	18	1,697	4,691	-	-
Deferred tax assets	10	12,066	11,461	-	-
Other financial assets	19	1,184	1,985	-	-
		149,795	148,091	141,739	138,203
Current assets					
Inventories	20	63,659	53,290	26,939	22,157
Trade and other receivables	21	10,695	11,270	51,476	27,366
Other assets	22	18,027	28,888	8,526	15,452
Other financial assets	19	14,627	13,716	14,627	13,716
Cash and cash equivalents	23	608,065	484,831	438,402	270,046
		715,073	591,995	539,970	348,737
Total assets		864,868	740,086	681,709	486,940
LIABILITIES					
Current liabilities					
Trade and other payables	24	138,537	151,390	46,426	48,288
Contract liabilities	4	7,669	7,171	-	-
Lease liabilities	25	5,192	5,154	1,648	2,142
Other financial liabilities	27	31	43	31	43
Borrowings	26	15,000	-	15,000	-
Provisions	28	34,882	34,896	882	882
Income tax payable		31,692	19,974	15,160	1,881
		233,003	218,628	79,147	53,236
Non-current liabilities					
Provisions	28	1,605	1,111	964	484
Deferred tax liabilities	10	10,002	9,798	403	179
Lease liabilities	25	17,337	15,502	10,086	6,230
Other financial liabilities	27	12,624	11,401	-	-
		41,568	37,812	11,453	6,893
Total liabilities		274,571	256,440	90,600	60,129
Net assets		590,297	483,646	591,109	426,811

The accompanying notes form an integral part of these financial statements.

As at 31 December 2023

	Note	Group		Company	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
EQUITY					
Capital and reserve attributable to equity holders of the Company					
Share capital	29	20,618	20,618	20,618	20,618
Treasury shares	29	(18,275)	(18,275)	(18,275)	(18,275)
Retained earnings		562,592	452,231	588,444	424,146
Other reserves	30	27,764	31,592	322	322
		592,699	486,166	591,109	426,811
Non-controlling interests		(2,402)	(2,520)	-	-
Total equity		590,297	483,646	591,109	426,811

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2023

	Note	Attributable to equity holders of the Company										
		Share capital S\$'000	Treasury shares* S\$'000	Currency translation reserve S\$'000	Statutory reserve S\$'000	Other reserves S\$'000	Retained earnings* S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000		
Group												
Balance at 1 January 2023		20,618	(18,275)	(1,005)	33,384	(787)	452,231	486,166	(2,520)	483,646		
Profit for the financial year		-	-	-	-	-	120,370	120,370	105	120,475		
Other comprehensive (loss)/income for the financial year		-	-	(3,828)	-	-	-	(3,828)	13	(3,815)		
Total comprehensive (loss)/income for the financial year		-	-	(3,828)	-	-	120,370	116,542	118	116,660		
Share buyback – held as treasury shares	29(b)	-	-	-	-	-	(10,009)	(10,009)	-	(10,009)		
Balance at 31 December 2023		20,618	(18,275)	(4,833)	33,384	(787)	562,592	592,699	(2,402)	590,297		

The accompanying notes form an integral part of these financial statements.

For the financial year ended 31 December 2023

	Note	Attributable to equity holders of the Company										
		Share capital S\$'000	Treasury shares* S\$'000	Currency translation reserve S\$'000	Statutory reserve S\$'000	Other reserves S\$'000	Retained earnings* S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000		
Group												
Balance at 1 January 2022		20,618	(10,591)	8,051	30,258	(787)	460,852	508,401	(2,653)	505,748		
Profit for the financial year		-	-	-	-	-	136,259	136,259	-	136,259		
Other comprehensive (loss)/income for the financial year		-	-	(10,214)	-	-	-	(10,214)	133	(10,081)		
Total comprehensive (loss)/income for the financial year		-	-	(10,214)	-	-	136,259	126,045	133	126,178		
Off-market access share buyback	29(a)	-	-	-	-	-	(140,596)	(140,596)	-	(140,596)		
Share buyback – held as treasury shares	29(b)	-	(7,684)	-	-	-	-	(7,684)	-	(7,684)		
Transfer to statutory reserve	30	-	-	1,158	3,126	-	(4,284)	-	-	-		
Balance at 31 December 2022		20,618	(18,275)	(1,005)	33,384	(787)	452,231	486,166	(2,520)	483,646		

For the financial year ended 31 December 2023

The accompanying notes form an integral part of these financial statements.

For the financial year ended 31 December 2023

	Note	Attributable to equity holders of the Company					Total equity S\$'000
		Share capital S\$'000	Treasury shares* S\$'000	Retained earnings* S\$'000	Other reserves S\$'000		
Company							
Balance at 1 January 2023							
Total comprehensive income for the financial year		20,618	(18,275)	424,146	322		426,811
Share buyback – held as treasury shares	29(b)	-	-	174,307	-		174,307
		-	-	(10,009)	-		(10,009)
Balance at 31 December 2023		20,618	(18,275)	588,444	322		591,109
Balance at 1 January 2022							
Total comprehensive income for the financial year		20,618	(10,591)	390,579	322		400,928
Off-market access share buyback	29(a)	-	-	174,163	-		174,163
Share buyback – held as treasury shares	29(b)	-	(7,684)	(140,596)	-		(140,596)
		-	-	-	-		(7,684)
Balance at 31 December 2022		20,618	(18,275)	424,146	322		426,811

* Retained earnings of the Group are distributable except for accumulated retained earnings of joint venture and associate amounting to S\$1,792,000 (2022: S\$1,193,000). Additionally, the treasury shares amounting to S\$18,275,000 (2022: S\$18,275,000) represents the aggregate value of shares repurchased by the Group and held as treasury shares. Retained earnings of the Company are distributable except for the treasury shares amounting to S\$18,275,000 (2022: S\$18,275,000).

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

	Note	2023 S\$'000	2022 S\$'000
Cash flows from operating activities			
Profit before income tax		168,296	188,663
Adjustments for:			
- Interest income		(13,099)	(6,296)
- Interest expenses	8	1,627	507
- Depreciation of property, plant and equipment	9	7,598	4,803
- Depreciation of right-of-use assets	9	6,372	5,430
- Depreciation of investment property	9	19	18
- Amortisation of other intangible asset	9	242	242
- Amortisation of intangible assets	9	83	83
- Gain on disposal of property, plant and equipment	6	(141)	(422)
- Write-back for expected credit losses on trade receivables, net	21	23	(16)
- Allowance for expected credit loss on other receivables	21	15	12
- Fair value (gain)/loss in forward contract	6	(12)	43
- Loss on disposal of other financial assets	6	-	26
- Fair value (gain)/loss in other financial assets	6	(790)	844
- Fair value loss in call option - Pedal Pulses Limited	6	865	3,288
- Fair value loss/(gain) in put option - Pedal Pulses Limited	6	770	(5,623)
- Loss on lease modification	6	-	2
- Inventories written-down, net	6	91	103
- Impairment loss in investment in a joint venture	6	-	12,692
- Impairment loss in investment in an associate	6	2,850	-
- Share of profit of a joint venture	17	(743)	(694)
- Share of loss of an associate	18	144	299
- Unrealised foreign exchange (gains)/losses		(3,021)	5,044
Operating cash flows before changes in working capital		171,189	209,048
Change in working capital			
- Inventories		(10,460)	34,888
- Trade and other receivables		327	(5,027)
- Other assets		10,861	(8,231)
- Trade and other payables		(12,789)	1,616
- Provisions		-	(1,742)
- Contract liabilities		498	5,485
Cash flows generated from operations		159,626	236,037
Income tax paid		(36,108)	(52,791)
Net cash provided by operating activities		123,518	183,246
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(11,159)	(14,683)
Proceeds from disposal of property, plant and equipment		167	837
Purchase of intangible assets	15	(41)	(23)
Purchase of other financial assets	19	(616)	(148)
Proceeds from disposal of other financial assets	19	266	245
Dividend received	17	815	737
Interest received		13,099	6,296
Net cash provided by/(used in) investing activities		2,531	(6,739)

The accompanying notes form an integral part of these financial statements.

For the financial year ended 31 December 2023

	Note	2023 S\$'000	2022 S\$'000
Cash flows from financing activities			
Off-market equal access share buyback	29(a)	-	(140,596)
Purchase of treasury shares	29(b)	(10,009)	(7,684)
Payment of lease liabilities	25	(7,094)	(4,982)
Proceeds from borrowings		15,000	-
Increase in cash restricted in use		(26,663)	(458)
Interest paid		(476)	-
Net cash used in financing activities		(29,242)	(153,720)
Net increase in cash and cash equivalents			
Effects of foreign exchange rate changes on cash and cash equivalents		96,807	22,787
Effects of foreign exchange rate changes on cash and cash equivalents		(236)	(13,242)
Beginning of financial year		477,389	467,844
End of financial year	23	573,960	477,389

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Best World International Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 20 Pasir Panjang Road, #08-28 Mapletree Business City, Singapore 117439.

The principal activities of the Company are those of investment holding and the distribution of nutritional supplement products, personal care products and healthcare equipment. The principal activities of the subsidiary corporations are disclosed in Note 16 to the financial statements.

2. Material accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3 to the financial statements.

Interpretations and amendments to published standards effective in 2023

On 1 January 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

The financial statements are presented in Singapore Dollar (SGD or S\$) and all values in the tables are rounded to the nearest thousand (S\$’000), except when otherwise indicated.

2.2 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation is satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2. Material accounting policies (cont'd)

2.2 Revenue (cont'd)

(a) Direct selling

The Group sold their products (except for products sold under the “Aurigen” brand) through an international network of independent active distributors across Taiwan, Singapore, Malaysia, and other markets such as Thailand, Indonesia, Vietnam, Hong Kong, Macau, Korea, Philippines, Australia, New Zealand, United States, Canada and The United Arab Emirates.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the estimated transaction price, which comprise the contractual price, net of certain commissions payable to the customer. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

(b) Export sales

The Group export its products (except for products sold under the “Aurigen” brand) at export price to its import agents in Myanmar for onward distribution within such jurisdiction.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract.

(c) Franchise sales

The Group sold their products (except for products sold under the “Aurigen” brand) through franchisees who are independent third-party that operates BWL Lifestyle Centers in China. These franchisees purchase products from the Group and exclusively on-sell the Group’s products to consumers and sales representatives.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the contractual transaction price, which comprise the contractual price, net of sales related expenses payable to the customer. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

(d) Manufacturing/wholesale

The Group manufactures its “Aurigen” line of healthy supplements in the manufacturing facility in China and distributes these supplements through wholesalers who then on-sell such products to retail stores across China.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract.

2. Material accounting policies (cont'd)

2.2 Revenue (cont'd)

(e) Consideration payable to a customer

The Group pays commission and sales related expenses to the customers for their purchase of the Group's products when they achieve certain minimum purchase and maintenance requirements under the respective compensation plans, as applicable. These considerations paid to customers are recorded as a reduction in transaction price and, therefore, of revenue unless the payment to the customer is in exchange of a distinct good or service that the customer transfers to the entity. To the extent that the customer purchases the products for their own personal use, such commission and sales related expense given to them are presented as a reduction of the transaction price.

If the payment is for distinct services received from the customer, the Group accounts for any excess of such consideration payable to the customer over the fair value of the distinct services as a reduction of the transaction price. In addition, if the Group cannot reasonably estimate the fair value of the goods or services received from the customer, it accounts for all the consideration payable to the customer as a reduction of the transaction price.

The Group recognises the reduction of revenue when it recognises revenue for the transfer of the related goods or services to the customer.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the assets transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets which are attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

2. Material accounting policies (cont'd)

2.4 Group accounting (cont'd)

(a) *Subsidiary corporations (cont'd)*

(ii) *Acquisition*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree at the date of the acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(iii) *Disposal*

When a change in the Group's ownership interest in a subsidiary corporation result in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specified SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations, joint venture and associate" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) *Associate and joint venture*

Associate is entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Joint venture is entity over which the Group has joint control as a result of contractual arrangements and rights to the net assets of the entities.

2. Material accounting policies (cont'd)

2.4 Group accounting (cont'd)

(c) Associate and joint venture (cont'd)

Investments in associate and joint venture are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisition

Investments in associate and joint venture are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associate and joint venture represents the excess of the cost of acquisition of the associate or joint venture over the Group's share of the fair value of the identifiable net assets of the associate or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associate's and joint venture's post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from associate or joint venture are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associate and a joint venture equals to or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associate or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associate and joint venture are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associate and joint venture are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposal

Investments in associate and joint venture are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associate or joint venture is a financial asset, the retained equity interest is remeasured at fair value. The difference between the carrying amount of the retained equity interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations, joint venture and associate" for the accounting policy on investments in associate and joint venture in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2. Material accounting policies (cont'd)

2.5 Property, plant and equipment (cont'd)

(a) Measurement (cont'd)

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Costs of a self-constructed asset include material costs, labour costs and other direct costs used in the construction of the asset. Other costs such as start-up costs, administration and other general overhead costs, advertising and training costs are excluded and recognised as an expense when incurred.

(b) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold buildings	50 to 77 years
Plant and equipment	3 to 15 years

Freehold land has unlimited useful life and therefore is not depreciated.

'Construction in progress' and 'Plant and equipment in progress' included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other (losses)/gains".

2.6 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of joint venture and associate represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associate and joint venture is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiary corporations, joint venture and associate include the carrying amount of goodwill relating to the entity sold.

2. Material accounting policies (cont'd)

2.6 Intangible assets (cont'd)

(b) Acquired trademarks and licences

Trademarks and licences acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is computed on the straight-line basis over the estimated useful lives of the intangible assets as follows:

	Useful lives
Licences	10 to 25 years
Trademarks	5 to 10 years
Customer relationship	5 years
Other intangible asset	38 years

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.8 Investment property

Investment property is a property that is owned by the Group that is held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment property comprises completed investment property and property that is being constructed or developed for future use as investment property. Property held under operating lease is classified as investment property when the definition of an investment property is met.

Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less any accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis over the lease term of 75 years.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2.9 Investments in subsidiary corporations, joint venture and associate

Investments in subsidiary corporations, joint venture and associate are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. Material accounting policies (cont'd)

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as intangible assets are tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Intangible assets

Property, plant and equipment

Right-of-use assets

Investments in subsidiary corporations, joint venture and associate

Other non-financial assets

Intangible assets, property, plant and equipment, right-of-use assets, investments in subsidiary corporations, joint venture and associate and other non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purposes of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting date whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. Material accounting policies (cont'd)

2.11 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not a fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instrument

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are two subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "Other (losses)/gains".

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other gains and losses", except for those equity securities which are not held for trading. Dividends from equity investments are recognised in profit or loss as "Dividend income".

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33(b) to the financial statements details how the Group determines whether there has been a significant increase in credit risk.

2. Material accounting policies (cont'd)

2.11 Financial assets (cont'd)

(b) Impairment (cont'd)

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Leases

(i) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

2. Material accounting policies (cont'd)

2.15 Leases (cont'd)

(i) *When the Group is the lessee: (cont'd)*

Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

2. Material accounting policies (cont'd)

2.15 Leases (cont'd)

(ii) *When the Group is the lessor:*

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials and packaging materials: purchase costs on a weighted average cost basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, joint venture and associate, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

2. Material accounting policies (cont'd)

2.17 Income taxes (cont'd)

Deferred income tax is measured: (cont'd)

- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment properties measured at fair value are presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operation losses.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

The subsidiary corporations incorporated in China are required to provide certain staff pension benefits to their employees under existing China legislation. Pension contributions are provided at rates stipulated by China legislation and are contributed to a pension fund managed by government agencies, which are responsible for paying pensions to the China subsidiary corporations' retired employees.

The subsidiary corporation incorporated in Taiwan is required to make mandatory pension contributions for employees under existing Taiwan legislation. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.20 Currency translation

The financial statements are presented in Singapore Dollar, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company and all values have been rounded to the nearest thousand ("S\$'000") unless otherwise stated.

2. Material accounting policies (cont'd)

2.20 Currency translation (cont'd)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies qualifying as net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within "Finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented within "Other (losses)/gains".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all of the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are translated at the closing rates at the reporting date.

2.21 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to these segments and to assess these segments' performances. Additional disclosures on each of these segments are shown in Note 34 to the financial statements, including factors used to identify the reportable segments and the measurement basis of segment information.

2. Material accounting policies (cont'd)

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts (if any) are presented as current borrowings on the statements of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.23 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

(a) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. The China subsidiary corporations make tax submissions and obtain clearances from the local tax authorities in accordance with local practices. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable, deferred tax liabilities and deferred tax assets at the end of the reporting date was S\$31,692,000 (2022: S\$19,974,000), S\$10,002,000 (2022: S\$9,798,000) and S\$12,066,000 (2022: S\$11,461,000) respectively are disclosed in Note 10 to the financial statements.

(b) Expected credit losses ("ECL") on trade receivables

Expected credit losses ("ECL") on trade receivables is probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group measured the loss allowance for trade receivables at an amount equal to lifetime ECL using a provision matrix. A considerable amount of judgement is required in assessing the ECL which are determined by referencing to the Group's historical observed default rates, customer's ability to pay and adjusted with forward-looking information. At every reporting date, the historical observed default rates will be updated and changes in the forward-looking estimates will be analysed. The information about the ECL on the Group's trade receivables is disclosed in Note 33(b) to the financial statements. The Group also evaluates the ECL on customers in financial difficulty separately. Based on management's evaluation, a loss allowance of S\$40,000 for trade receivables is recognised for the financial year ended 31 December 2023.

The carrying amounts of trade receivables is disclosed in Note 21 to the financial statements.

3. Critical accounting estimates, assumptions and judgements (cont'd)

(c) Fair value measurement of put and call option - Pedal Pulses Limited

The put and call option derivatives arise from the acquired joint venture as disclosed in Note 17 to the financial statements and are measured at fair value as at the end of the reporting date.

Call option

As at the end of the reporting date, the fair value of the call option has been determined by management, assisted by its independent professional valuer (the "Valuer"), and is considered as level 3 recurring fair value measurements. The significant judgement and assumptions to the valuation include expected risk-free rate, spread and volatility rate. Significant assumptions were made by the management in estimating the probability of the option being exercised as at the end of the reporting date. The carrying value of the call option as at 31 December 2023 is S\$1,184,000 (2022: S\$1,985,000).

Put option

As at the end of the reporting date, the fair value of the put option derivative has been determined by management, assisted by the Valuer, and is considered as level 3 recurring fair value measurements. The significant judgement and assumptions to the valuation include expected volatility rate and risk-free rate. Significant assumptions were made by the management in estimating the probability of the option being exercised as at the end of the reporting date. The carrying value of the put option as at 31 December 2023 is S\$12,624,000 (2022: S\$11,401,000).

(d) Valuation of inventories

A review is made periodically on inventory for obsolete and excess inventory and declines in net realisable value below cost and an allowance is recorded against the carrying amount of inventories for any such obsolescence, excess and declines. The determination of inventories write down to net realisable value requires management to exercise judgement in identifying end-of-life or slow-moving inventories and make estimates of write down required. Such estimation is made after taking into consideration factors such as future demands and anticipated selling prices. As at 31 December 2023, there was S\$91,000 (2022: S\$103,000) net inventories written-down. The carrying amount of inventories at the reporting date is disclosed in Note 20 to the financial statements.

4. Revenue

(a) Disaggregation of revenue from contracts with customers

	Group	
	2023 S\$'000	2022 S\$'000
Primary geographical markets		
Taiwan	151,446	143,248
Singapore	50,774	40,793
China	222,123	292,062
Malaysia	26,552	28,095
Hong Kong	21,891	20,600
Others	41,724	32,550
	514,510	557,348
Major operating segments		
Direct selling	292,158	265,084
Franchise	221,277	291,562
Others	1,075	702
	514,510	557,348

The timing of the Group's transfer of goods or services are recognised at a point in time.

4. Revenue (cont'd)

(b) Contract liabilities

	Group		
	31 December		1 January
	2023 S\$'000	2022 S\$'000	2022 S\$'000
Contract liabilities	7,669	7,171	1,686

Contract liabilities mainly relate to advances received from customers for which goods had not been delivered as at the respective financial year end.

Revenue recognised that was included in the contract liabilities balance at the beginning of the financial year was S\$7,171,000 (2022: S\$1,686,000).

(c) Trade receivables from contracts with customers

	Group			Company		
	31 December		1 January	31 December		1 January
	2023 S\$'000	2022 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000	2022 S\$'000
Trade receivables						
- Third parties	2,857	2,772	2,163	1,259	208	651
- Subsidiary corporations	-	-	-	42,861	25,916	28,776
Less: Allowance for expected credit losses	(1,577)	(1,610)	(1,556)	(9,172)	(11,881)	(16,872)
	1,280	1,162	607	34,948	14,243	12,555

5. Other income - Others

	Group	
	2023 S\$'000	2022 S\$'000
Government grants	5,368	6,963
Rental income from investment property (Note 13)	125	124
Miscellaneous income	1,439	675
	6,932	7,762

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The Group's government grant income mainly relates to Job Growth Incentive given out by the Singapore government and a government grant to one of our China subsidiary corporations as financial assistance during the period of economic uncertainty.

6. Other (losses)/gains – Others

	Note	Group	
		2023 S\$'000	2022 S\$'000
Fair value (losses)/gains			
- Other financial assets	19	790	(844)
- Call option - Pedal Pulses Limited	19	(865)	(3,288)
- Put option - Pedal Pulses Limited	27	(770)	5,623
- Forward contract	27	12	(43)
		(833)	1,448
Foreign exchange losses, net		(3,322)	(18,558)
Gain on disposal of property, plant and equipment		141	422
Impairment loss on investment in a joint venture	17	-	(12,692)
Impairment loss on investment in an associate	18	(2,850)	-
Inventories written-down, net	20	(91)	(103)
Loss on disposal of other financial assets	19	-	(26)
Loss on lease modification	25	-	(2)
		(6,955)	(29,511)

7. Distribution costs and administrative expenses

	Note	Group	
		2023 S\$'000	2022 S\$'000
Included in distribution costs			
- Convention expenses		22,956	24,138
- Commission expenses		113,409	90,821
- Franchise sales related expenses		9,825	12,577
- Employee benefit expenses		241	355
Included in administrative expenses			
- Employee compensation (including Directors' remuneration)		66,654	71,400
- Amortisation of intangible assets	15	83	83
- Amortisation of other intangible asset	14	242	242
- Operating lease expense relating to short-term leases	25	79	85

Convention expenses

Convention expenses relate to event expenses, accommodations, travelling expenses and related tour expenses incurred to hold the annual convention event organised by the Group.

Commission expenses

Commission expenses are commissions paid to Direct Selling Members for their sale of the Group's products. Direct Selling Members are rewarded based on their efforts in developing the membership networks, ensuring Direct Selling Members within their networks remain active, and recognising the purchases made by those in their membership network. Commission expenses do not include amounts the Group pay to Direct Selling Members based on their personal purchase; rather, such amounts are reflected as reductions to revenue.

Franchise sales related expenses

Franchise sales related expenses relates to marketing, handling fees and other services as required by the Group.

8. Finance costs

	Note	Group	
		2023 S\$'000	2022 S\$'000
Interest expense			
- Lease liabilities	25	1,151	507
- Bank borrowings		476	-
		1,627	507

9. Profit before income tax

Profit before income tax is arrived at after charging/(crediting) the following:

	Note	Group	
		2023 S\$'000	2022 S\$'000
Audit fees paid/payable to:			
- Auditor of the Company		428	416
- Other auditors		269	202
Professional fees		1,477	1,073
Directors' fees		280	245
Employee compensation (including directors):			
- Salaries, bonuses and allowances (included in distribution cost)		200	291
- Salaries, bonuses and allowances (including directors' remuneration)		64,333	69,341
- Employer's contribution to defined contribution plan		2,362	2,123
		66,895	71,755
Amortisation of other intangible asset	14	242	242
Amortisation of intangible assets	15	83	83
Depreciation of property, plant and equipment	12	7,598	4,803
Depreciation of investment property	13	19	18
Depreciation of right-of-use assets	25	6,372	5,430

10. Income tax expense

(a) *Income tax expense*

	Note	Group	
		2023 S\$'000	2022 S\$'000
Current income tax:			
- Current income taxation		34,924	37,485
- Under/(Over) provision in prior financial years		7,167	(4,125)
		42,091	33,360
Deferred income tax:			
- Origination and reversal of temporary differences	10(b)	(401)	8,135
Withholding tax		6,131	10,909
		47,821	52,404

10. Income tax expense (cont'd)

(a) Income tax expense (cont'd)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2023 S\$'000	2022 S\$'000
Profit before income tax	168,296	188,663
Share of profit of a joint venture	(743)	(694)
Share of loss of an associate	144	299
Profit before income tax and share of (profit)/loss of a joint venture and an associate	167,697	188,268
Tax calculated at tax rate of 17% (2022: 17%)	28,508	32,006
Adjustments:		
- Effect of different tax rates in other countries	5,667	7,279
- Income not subject to tax	(1,966)	(227)
- Expenses not deductible for tax purposes	3,703	13,388
- Tax concession, rebates and exemptions	(389)	(338)
- Deferred tax assets not recognised	437	418
- (Over)/Under provision in prior financial years	7,167	(4,125)
- Utilisation of previously unrecognised allowances	(69)	(108)
- Deferred tax relating to undistributed earnings of subsidiary corporations	(1,753)	(6,792)
- Withholding tax	6,131	10,909
- Others	385	(6)
	47,821	52,404

10. Income tax expense (cont'd)

(b) Deferred tax assets/(liabilities)

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	Group				Company	
	Consolidated statement of financial position		Consolidated statement of profit or loss		Statement of financial position	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Deferred tax liabilities						
Excess of net book value of property, plant and equipment over tax values	(6,653)	(4,151)	2,502	3,958	(390)	(145)
Undistributed earnings of subsidiary corporations	(1,960)	(3,713)	(1,753)	(6,792)	-	-
Unremitted interest income	(348)	(239)	109	98	(348)	(239)
Provisions	180	278	98	(37)	180	278
Right-of-use assets	(3,559)	(3,751)	(192)	1,526	(1,884)	(1,496)
Others	44	-	(44)	(27)	44	-
	<u>(12,296)</u>	<u>(11,576)</u>			<u>(2,398)</u>	<u>(1,602)</u>
Deferred tax assets						
Provisions	-	-	-	1,308	-	-
Unrealised profits on inventories arising from intra-group sale	9,736	8,913	(823)	10,192	-	-
Lease liabilities	3,622	3,700	78	(1,649)	1,995	1,423
Others	1,002	626	(376)	(442)	-	-
	<u>14,360</u>	<u>13,239</u>	<u>(401)</u>	<u>8,135</u>	<u>1,995</u>	<u>1,423</u>

(c) Unrecognised tax losses

At the end of the reporting date, the Group has tax losses of approximately S\$13,996,000 (2022: S\$13,342,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate in.

These tax losses have no expiry date except for an amount of S\$11,617,000 (2022: S\$10,964,000) which will expire in the next 5 to 15 years as follows:

	Group	
	2023 S\$'000	2022 S\$'000
Can be utilised up to:		
2023	-	786
2024	1,840	1,840
2025	1,045	1,045
2026	998	597
2027	3,146	3,146
After 2027	4,588	3,550
	<u>11,617</u>	<u>10,964</u>

11. Earnings per share

Basic and diluted earnings per share are calculated by dividing the Group's net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

There were no potential dilutive ordinary shares during the financial years ended 31 December 2023 and 2022.

	Group	
	2023	2022
Net profit attributable to equity holders of the Company (S\$'000)	120,370	136,259
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share* ('000)	433,971	472,798
Basic and diluted earnings per share (S\$ cents per share)	27.74	28.82

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the financial year where applicable.

12. Property, plant and equipment

	Freehold land S\$'000	Leasehold buildings S\$'000	Plant and equipment in progress S\$'000	Plant and equipment S\$'000	Total S\$'000
Group 2023					
<i>Cost</i>					
Beginning of financial year	50	40,464	14,318	33,814	88,646
Additions	-	25	1,234	9,900	11,159
Transfer	-	-	(12,443)	12,443	-
Disposals	-	-	-	(1,214)	(1,214)
Currency translation differences	-	(28)	-	(282)	(310)
End of financial year	50	40,461	3,109	54,661	98,281
<i>Accumulated depreciation</i>					
Beginning of financial year	-	1,274	-	14,272	15,546
Depreciation charge (Note 9)	-	1,553	-	6,045	7,598
Disposals	-	-	-	(1,188)	(1,188)
Currency translation differences	-	(7)	-	(151)	(158)
End of financial year	-	2,820	-	18,978	21,798
Net book value					
End of financial year	50	37,641	3,109	35,683	76,483

12. Property, plant and equipment (cont'd)

	Freehold land S\$'000	Leasehold buildings S\$'000	Construction in progress S\$'000	Plant and equipment in progress S\$'000	Plant and equipment S\$'000	Total S\$'000
Group 2022						
<i>Cost</i>						
Beginning of financial year	50	651	34,528	23,268	18,509	77,006
Additions	-	-	5,515	4,096	5,072	14,683
Transfer	-	40,043	(40,043)	(13,046)	13,046	-
Disposals	-	(194)	-	-	(2,129)	(2,323)
Currency translation differences	-	(36)	-	-	(684)	(720)
End of financial year	50	40,464	-	14,318	33,814	88,646
<i>Accumulated depreciation</i>						
Beginning of financial year	-	182	-	-	13,110	13,292
Depreciation charge (Note 9)	-	1,165	-	-	3,638	4,803
Disposals	-	-	-	-	(1,908)	(1,908)
Currency translation differences	-	(73)	-	-	(568)	(641)
End of financial year	-	1,274	-	-	14,272	15,546
Net book value						
End of financial year	50	39,190	-	14,318	19,542	73,100

	Plant and equipment	
	2023 S\$'000	2022 S\$'000
Company		
<i>Cost</i>		
Beginning of financial year	9,331	8,682
Additions	4,734	941
Disposals	(794)	(292)
End of financial year	13,271	9,331
<i>Accumulated depreciation</i>		
Beginning of financial year	7,247	6,335
Depreciation charge	1,859	1,200
Disposals	(775)	(288)
End of financial year	8,331	7,247
Net book value		
End of financial year	4,940	2,084

The depreciation expense is charged as administrative expenses in profit or loss.

As at 31 December 2023 and 2022, none of the Group's property, plant and equipment were under finance lease arrangements.

13. Investment property

	Group	
	2023 S\$'000	2022 S\$'000
<i>Cost</i>		
Beginning and end of financial year	1,400	1,400
<i>Accumulated depreciation</i>		
Beginning of financial year	327	309
Depreciation charge (Note 9)	19	18
End of financial year	346	327
Net book value		
End of financial year	1,054	1,073

The following amounts are recognised in profit or loss:

	Group	
	2023 S\$'000	2022 S\$'000
Rental income (Note 5)	125	124
Direct operating expenses arising from investment property that generated rental income	(20)	(14)

Depreciation expense is charged as administrative expenses in profit or loss.

The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Details of the investment property held by the Group as at 31 December 2023 and 2022 was as follows:

Description and location	Existing use	Tenure	Unexpired lease term
One unit of leasehold property at Block 726 Ang Mo Kio Avenue 6 Singapore 560726	Shop	Leasehold	56 years

Valuation of investment property

The fair value of the investment property was measured as at 31 December 2023 and 2022 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting date. The fair value was based on a valuation made by RHT Valuation Pte. Ltd., a firm of independent professional valuers. The firm holds a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. Details of valuation techniques and inputs used are disclosed in Note 33(e)(iii) to the financial statements.

14. Other intangible asset

	Group	
	2023 S\$'000	2022 S\$'000
<i>Cost</i>		
Beginning and end of financial year	9,095	9,095
<i>Accumulated amortisation</i>		
Beginning of financial year	1,466	1,224
Amortisation charge (Note 9)	242	242
End of financial year	1,708	1,466
Net book value		
End of financial year	7,387	7,629

Amortisation expense is charged as administrative expenses in the statement of profit or loss.

Other intangible asset relates to the costs paid to the old tenant to buy out the old tenant's remaining lease of one of the leasehold buildings, which was demolished in the financial year ended 31 December 2020, and the right to lease the land for another 30 years from the lessor during the financial year ended 31 December 2016. This intangible asset is amortised over an estimated useful life of 38 years.

The Group had applied the practical expedient of excluding this initial direct cost from the measurement of the right-of-use assets in Note 25 to the financial statements.

15. Intangible assets

	Goodwill S\$'000	Licences S\$'000	Trademarks S\$'000	Customer relationship S\$'000	Total S\$'000
Group 2023					
<i>Cost</i>					
Beginning of financial year	1,016	8,456	938	740	11,150
Additions	-	15	26	-	41
Currency translation differences	-	(141)	-	-	(141)
End of financial year	1,016	8,330	964	740	11,050
<i>Accumulated amortisation and impairment</i>					
Beginning of financial year	324	8,149	883	740	10,096
Amortisation charge (Note 9)	-	72	11	-	83
Currency translation differences	-	(122)	(1)	-	(123)
End of financial year	324	8,099	893	740	10,056
Net book value					
End of financial year	692	231	71	-	994

15. Intangible assets (cont'd)

	Goodwill S\$'000	Licences S\$'000	Trademarks S\$'000	Customer relationship S\$'000	Total S\$'000
Group 2022					
<i>Cost</i>					
Beginning of financial year	1,016	8,871	927	740	11,554
Additions	-	11	12	-	23
Currency translation differences	-	(426)	(1)	-	(427)
End of financial year	1,016	8,456	938	740	11,150
<i>Accumulated amortisation and impairment</i>					
Beginning of financial year	324	8,465	876	740	10,405
Amortisation charge (Note 9)	-	76	7	-	83
Currency translation differences	-	(392)	-	-	(392)
End of financial year	324	8,149	883	740	10,096
Net book value					
End of financial year	692	307	55	-	1,054

	Trademarks	
	2023 S\$'000	2022 S\$'000
Company		
<i>Cost</i>		
Beginning of financial year	682	671
Additions	27	11
End of financial year	709	682
<i>Accumulated amortisation</i>		
Beginning of financial year	627	620
Amortisation charge	12	7
End of financial year	639	627
Net book value		
End of financial year	70	55

Goodwill

Goodwill acquired through business combinations have been allocated to the following cash-generating units ("CGU"):

	Group	
	2023 S\$'000	2022 S\$'000
Best World (China) Pharmaceutical Co., Ltd. ("BWC") - Manufacturing/wholesale	686	686
BWL (Thailand) Company Limited ("BWL")	6	6
Best World Lifestyle Sdn. Bhd. ("BWLSB")	324	324
Gross carrying amount	1,016	1,016
Less: Accumulated impairment loss	(324)	(324)
	692	692

Goodwill related to BWL is not significant to the Group's consolidated financial statements.

15. Intangible assets (cont'd)

Goodwill (cont'd)

Impairment loss recognised

Included in the Group's goodwill was goodwill attributable to BWLSB, whose carrying value has been reduced to its recoverable amount through recognition of aggregate impairment loss of S\$324,000 since the financial year ended 31 December 2018.

Impairment testing of goodwill

Goodwill is tested for impairment by comparing the carrying amount of goodwill with its recoverable amount.

The recoverable amount of goodwill was determined based on value in use calculations using cash flow projections from financial budget of BWC - Manufacturing/wholesale CGU approved by management covering a five-year period. Management has considered and determined the factors applied in these financial budgets which include average growth rates derived based on management's judgement. The growth rate applied ranges from 13% to 194% (2022: 33% to 228%) and the pre-tax discount rate applied in the cash flow projections is 13.88% (2022: 16.5%), which reflects management's estimation of the risks specific to the segment.

There was no impairment loss recognised to write-down the carrying amount of the goodwill attributable to BWC - Manufacturing/wholesale CGU during the financial years ended 31 December 2023 and 2022.

Licences

Included in licences is a direct selling licence registered under BWC with net carrying amount of S\$134,000 (2022: S\$189,000). The recoverable amounts of the direct selling licence is determined based on fair value less costs of disposal. The fair value less costs of disposal of the direct selling licence is determined based on recent transacted prices for comparable direct selling licences in China sharing similar characteristics.

Impairment loss recognised

The Group recorded an accumulated impairment loss of S\$2,892,000 on BWC - Manufacturing/wholesale CGU's production permits and formulae. Consequently, CGU's production permits and formulae has been fully impaired.

16. Investments in subsidiary corporations

	Company	
	2023 S\$'000	2022 S\$'000
Unquoted equity shares, at cost	17,105	16,008
Less: accumulated impairment loss	(11,850)	(10,753)
	5,255	5,255
Loans to subsidiary corporations	126,899	129,475
Allowance for expected credit loss	(7,469)	(7,469)
	119,430	122,006
Total investments in subsidiary corporations	124,685	127,261
<i>Movements in unquoted equity shares, at cost:</i>		
Beginning of financial year	16,008	14,396
Additions	1,097	1,612
End of financial year	17,105	16,008
<i>Movements in impairment loss:</i>		
Beginning of financial year	10,753	9,145
Charge for the financial year	1,097	1,608
End of financial year	11,850	10,753
<i>Movements in allowance for expected loss:</i>		
Beginning of financial year	7,469	8,500
Charge for the financial year	-	(1,031)
End of financial year	7,469	7,469

Loans to subsidiary corporations

These relates to loans to subsidiary corporations which are unsecured and non-interest bearing and are quasi-equity in nature. The settlement of the loans is not planned, and they are not expected to be settled in the foreseeable future. As these loans, in substance, form part of the Company's net investment in the subsidiary corporations, they are stated at cost.

16. Investments in subsidiary corporations (cont'd)

Composition of the Group

The Group has the following subsidiary corporations as at 31 December 2023 and 2022:

Name of subsidiary corporations and country of incorporation	Principal activities	Cost		Effective percentage of equity held by Group	
		2023 S\$'000	2022 S\$'000	2023 %	2022 %
Held by the Company					
Best World Lifestyle Pte Ltd ^(a) (Singapore)	Manufacturing and distribution of skin care products and health supplements	1,251	1,251	100	100
Avance Living Pte. Ltd. ^(a) (Singapore)	Manufacturing and project management service	4	4	100	100
Best World Lifestyle Sdn. Bhd. ^(f) (Malaysia)	Import and distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment	2,234	2,234	100	100
PT Best World Indonesia ^(h) (Indonesia)	Import and distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment	4,978	4,978	80	80
BWL (Thailand) Company Limited ^{(b)(m)} (Thailand)	Import and distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment	48	48	49	49
Best World Lifestyle (HK) Company Limited ⁽ⁱ⁾ (Hong Kong)	Distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment	118	118	100	100
Best World Lifestyle (Taiwan) Co., Ltd ^(d) (Taiwan)	Distribution of health food, network services, sanitary products, skin care and cosmetic products	94	94	100	100
BWL Korea Co., Ltd ^{(l)(o)} (Korea)	Distribution of skin care, health food and equipment	5,143	4,046	100	100
PT BWL Indonesia ^(h) (Indonesia)	Distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment	780	780	80	80
BWL Health & Sciences, Inc. ^(c) (Philippines)	Selling and distribution, on wholesale basis of skin care, nutritional supplements and personal care products and health care supplement	765	765	100	100

16. Investments in subsidiary corporations (cont'd)

Composition of the Group (cont'd)

The Group has the following subsidiary corporations as at 31 December 2023 and 2022: (cont'd)

Name of subsidiary corporations and country of incorporation	Principal activities	Cost		Effective percentage of equity held by Group	
		2023 S\$'000	2022 S\$'000	2023 %	2022 %
Held by the Company (cont'd)					
Best World Vietnam Company Limited ^(e) (Vietnam)	Trading and distribution of skin care and health-related products	649	649	100	100
BWL General Trading LLC ^{(l)(m)} (Dubai, The United Arab Emirates ("UAE"))	General trading including importing, trading and re-exporting of trade goods and products	37	37	49	49
BWL Online Systems Pte. Ltd. ^(a) (Singapore)	Distribution of cosmetics, skin care products and toiletries mainly from online sales	-*	-*	100	100
Best World Lifestyle (S) Pte. Ltd. ^(a) (Singapore)	Distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment	1,000	1,000	100	100
Celcott Investments Pte. Ltd. ^(a) (Singapore)	Investment holding	-*	-*	100	100
Best World Taiwan Holdings Pte. Ltd. ^{(a)(j)} (Singapore)	Investment holding and distribution of health food, network services, sanitary products, skin care and cosmetic products	-*	-*	100	100
MDUK Investment Pte. Ltd. ^(a) (Singapore)	Investment holding	-*	-*	100	100
BWL Macau Company Limited ^{(k)(n)} (Macau)	Importation and distribution of cosmetics, skincare, nutritional supplements, personal care products and healthcare equipment	4	4	100	100
		17,105	16,008		

* Less than S\$1,000

16. Investments in subsidiary corporations (cont'd)

Composition of the Group (cont'd)

The Group has the following subsidiary corporations as at 31 December 2023 and 2022: (cont'd)

Name of subsidiary corporations and country of incorporation	Principal activities	Effective percentage of equity held by Group	
		2023 %	2022 %
Held through Best World Lifestyle Pte Ltd			
Best World (China) Pharmaceutical Co., Ltd. ^(a) (China)	Development, manufacture and wholesale of its proprietary brand of dietary supplements, including wholesale, retail and import and export of personal care and skincare and healthcare equipment import and distribution of cosmetics, skincare, nutritional supplements, personal care products and healthcare equipment and engage in franchising activities	100	100
Held through Best World (China) Pharmaceutical Co., Ltd.			
Best World Lifestyle (Shanghai) Co., Ltd ^(a) (China)	Import and distribution of cosmetics, skin care, nutritional supplements, personal care products and healthcare equipment. Has not commenced commercial operations	100	100
Best World Lifestyle (China) Co., Ltd ^(a) (China)	Sales of personal necessities, cosmetics and hygiene products, nutritional supplements and health care products, pre-packaged food and other related activities.	100	100

^(a) Audited by CLA Global TS Public Accounting Corporation.

^(b) Audited by RSM Audit Services (Thailand) Limited, a member of RSM network.

^(c) Audited by Reyes Tacandong & Co, a member of RSM network.

^(d) Audited by RSM Taiwan, a member of RSM network.

^(e) Audited by RSM Vietnam Auditing & Consulting Company Limited, a member of RSM network.

^(f) Audited by Crowe Malaysia PLT, a member of Crowe Global.

^(g) Audited by Hunan Zhongqiao Sanxiang Certified Public Accountants, for local statutory purpose. Audited by Shanghai CLA Global TS Certified Public Accountants, China, for Group reporting purpose.

^(h) Audited by Tjahjadi & Tamara, a member firm of Morison Global.

⁽ⁱ⁾ Audited by RSM Hong Kong, a member of RSM network.

^(j) Audited by Ernst & Young Taiwan, a member firm of Ernst & Young Global Limited.

^(k) Audited by ShineWing (Macau) Certified Public Accountants.

^(l) Not subject to any statutory requirements under the relevant rules and regulations in their countries of incorporation.

^(m) The Group has accounted for the entity as a subsidiary corporation as the Group controls the relevant activities (including financial and operating policies) of the entity through a shareholders' agreement.

⁽ⁿ⁾ On 24 February 2022, the Company and its wholly-owned subsidiary corporation in Hong Kong, Best World Lifestyle (Hong Kong) Company Limited ("BWLHK") has incorporated a wholly-owned subsidiary in Macau Special Administrative Region in China.

^(o) On 31 October 2023, the Company increased its investment in BWL Korea Co., Ltd by way of debt conversion of USD802,000 (equivalent to S\$1,097,000). There is no change in effective shareholding of 100% subsequent to the capital injection.

16. Investments in subsidiary corporations (cont'd)

Composition of the Group (cont'd)

As required by Rule 715(2) of the Listing Manual of The Singapore Exchange Securities Trading Limited, the Audit Committee and the Board of Directors of the Company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiary corporations would not compromise the standard and effectiveness of the audit of the Group.

The Directors have assessed that the Group did not have subsidiary corporations with non-controlling interests that are material to the Group as at 31 December 2023 and 2022.

Undertaking to support subsidiary corporations with deficit position

At the end of the reporting date, the Company has agreed to provide continuing financial support to certain subsidiary corporations and the net deficit position of these subsidiary corporations was:

	Company	
	2023 S\$'000	2022 S\$'000
Total net deficit position of subsidiary corporations	17,317	18,092

17. Investment in a joint venture

	Group	
	2023 S\$'000	2022 S\$'000
Beginning of financial year	25,600	38,335
Share of post-acquisition results	743	694
Dividend received	(815)	(737)
Less: Impairment loss	-	(12,692)
End of financial year	25,528	25,600

Details of the joint venture are as follows:

Name of company	Principal activities	Principal place of business	Ownership interest	
			2023 %	2022 %
Pedal Pulses Limited ^(a)	Retail sales of products for feet, legs and hands and provision of podiatry and beauty services	United Kingdom	49.9	49.9

^(a) Audited by Aspen Waite Limited UK

On 3 April 2020, the Group has through its wholly-owned subsidiary corporation, MDUK Investment Pte. Ltd. (previously known as Best World Investments Pte. Ltd.), entered into a sales and purchase agreement, to acquire 579 ordinary shares of Pedal Pulses Limited, representing 49.9% equity interest in Pedal Pulses Limited for a cash consideration of GBP13,900,000, equivalent to S\$24,762,000. The Group jointly controls the venture with other partner under the contractual agreement and requires unanimous consent for all major decision over the relevant activities.

As part of the acquisition, the Group's subsidiary corporation entered into a put and call option agreement with the owners of Pedal Pulses Limited. As at the date of acquisition, the fair value of the put and call options amounted to S\$29,594,000 and S\$6,185,000 respectively. The aggregated fair value of these options, amounting to S\$23,409,000 has been accounted for as part of the consideration transferred for the acquisition of Pedal Pulses Limited.

There are no contingent liabilities relating to the Group's interest in the joint venture.

17. Investment in a joint venture (cont'd)

Set out below is the summarised financial information for Pedal Pulses Limited.

Summarised statements of financial position

	2023 S\$'000	2022 S\$'000
Current assets	10,328	9,349
Non-current assets	1,980	1,746
Current liabilities	(2,664)	(2,595)
Non-current liabilities	(232)	(287)
Net assets, representing surplus in equity	9,412	8,213
Proportion of the Group's ownership	49.9%	49.9%
Share of net assets	768	1,583
Fair value adjustment on net assets acquired	5,798	5,798
Cumulative share of results	2,870	2,127
Goodwill on acquisition	39,133	39,133
	48,569	48,641
Less: Impairment loss	(23,041)	(23,041)
Carrying amount of the investment	25,528	25,600

Summarised statement of comprehensive income

	2023 S\$'000	2022 S\$'000
Revenue	18,005	15,427
Cost of sales	(7,118)	(5,671)
Administrative expense, including depreciation and amortisation	(6,273)	(5,478)
Distribution costs	(1,290)	(1,326)
Profit before income tax	3,324	2,952
Income tax expense	(775)	(568)
Profit for the financial year, representing total comprehensive income for the financial year	2,549	2,384
Proportion of the Group's ownership	49.9%	49.9%
Group's share of total comprehensive income for the financial year	1,272	1,189
Adjustment for fair value differences	(529)	(495)
Group's share of results for the financial year	743	694
Group's cumulative share of results	2,870	2,127
Dividends received from joint venture	815	737

The joint venture had no contingent liabilities or capital commitments as at 31 December 2023.

18. Investment in an associate

	Group	
	2023 S\$'000	2022 S\$'000
Beginning of financial year	4,691	4,990
Share of post-acquisition results	(144)	(299)
Less: Impairment loss	(2,850)	-
End of financial year	1,697	4,691

Details of the associate are as follows:

Name of Company	Principal activities	Principal place of business	Ownership interest	
			2023 %	2022 %
Celligenics Pte. Ltd. ^(a)	Research and development of Biotechnology, life and medical sciences	Singapore	12.5	12.5

^(a) Audited by Pricewaterhouse Coopers LLP

On 21 January 2019, the Company's wholly-owned subsidiary corporation, Celcott Investments Pte. Ltd., acquired 115,000 ordinary shares in Celligenics Pte. Ltd. for a cash consideration of S\$5,625,000, representing 12.5% of the total issued share capital. Investment in Celligenics Pte. Ltd. is classified as investment in associate because the Group has significant influence over the entity through representation on the board of directors. The Company, or its designated wholly-owned subsidiary corporation, was given the right (but not the obligation) to subscribe for additional shares such that the aggregate shareholding of the Group in Celligenics Pte. Ltd. after such further subscription represents up to but not more than 15.0% of the total shares in Celligenics Pte. Ltd. as at the date of exercise of such right on a fully diluted basis. The Group did not exercise the right and the right has since lapsed.

There are no contingent liabilities relating to the Group's interest in the associate.

Set out below is the summarised financial information for Celligenics Pte. Ltd.

Summarised statement of financial position

	2023 S\$'000	2022 S\$'000
Current assets	224	31
Non-current assets	346	357
Current liabilities	(3,641)	(3,022)
Net liabilities, representing deficit in equity	(3,071)	(2,634)
Proportion of the Group's ownership	12.5%	12.5%
Share of net assets on acquisition	606	606
Cumulative share of results	(1,078)	(934)
Goodwill on acquisition	4,949	4,949
Impairment loss	(2,850)	-
Other adjustments	70	70
Carrying amount of the investment	1,697	4,691

18. Investment in an associate (cont'd)

Summarised statement of comprehensive income

	2023 S\$'000	2022 S\$'000
Other income	28	145
Administrative expenses	(745)	(936)
Research and development	(432)	(1,605)
Loss before income tax	(1,149)	(2,396)
Income tax expense	-	-
Loss for the financial year, representing total comprehensive loss for the financial year	(1,149)	(2,396)
Proportion of the Group's ownership	12.5%	12.5%
Group's share of results for the financial year	(144)	(299)
Group's cumulative share of results	(1,078)	(934)

The associate had no contingent liabilities or capital commitments as at 31 December 2023 and 2022.

19. Other financial assets

	Group			
	Carrying value		Fair value	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Non-current:				
Financial assets at FVPL:				
Call option - Pedal Pulses Limited	1,184	1,985	1,184	1,985
Current:				
Quoted bonds, classified as financial instruments at amortised cost, in corporations with fixed interest rate at:				
4.38% maturing on 9 January 2023 (effective rate: 4.38%), Singapore	-	268	-	272
Financial assets at FVPL:				
PIMCO Funds: Global Investors Series PLC - Income Fund	1,131	1,139	1,131	1,139
Credit Suisse – Step Up / Fixed Rate Notes	706	101	706	101
United High Grade Corporate Bond Fund	2,092	1,924	2,092	1,924
United SGD Fund - AACCUUSDH	10,698	10,284	10,698	10,284
Total other financial assets (current)	14,627	13,716	14,627	13,720
Total other financial assets (current and non-current)	15,811	15,701	15,811	15,705

19. Other financial assets (cont'd)

	Company			
	Carrying value		Fair value	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Current:				
Quoted bonds, classified as financial instruments at amortised cost, in corporations with fixed interest rate at:				
4.38% maturing on 9 January 2023 (effective rate: 4.38%), Singapore	-	268	-	272
<u>Financial instruments at FVPL:</u>				
PIMCO Funds: Global Investors Series PLC - Income Fund	1,131	1,139	1,131	1,139
Credit Suisse – Step Up / Fixed Rate Notes	706	101	706	101
United High Grade Corporate Bond Fund	2,092	1,924	2,092	1,924
United SGD Fund - AACUSDH	10,698	10,284	10,698	10,284
Total other financial assets (current)	14,627	13,716	14,627	13,720
Total other financial assets	14,627	13,716	14,627	13,720

Funds pledged for undrawn available credit facilities

Funds amounting to S\$2,275,000 (2022: S\$2,194,000) were pledged to banks to secure banking facilities granted to the Group as disclosed in Note 33(c) to the financial statements.

A reconciliation of other financial assets as at 31 December 2023 and 2022 is as follows:

				Non-cash changes		31 December 2023 S\$'000
	1 January 2023 S\$'000	Addition S\$'000	Disposal S\$'000	Fair value adjustment S\$'000	Foreign exchange movement S\$'000	
Group						
Non-current:						
Financial instruments at FVPL	1,985	-	-	(865)	64	1,184
Current:						
Financial instruments at amortised cost	268	-	(266)	-	(2)	-
Financial instruments at FVPL	13,448	616	-	790	(227)	14,627
Total	15,701	616	(266)	(75)	(165)	15,811

19. Other financial assets (cont'd)

A reconciliation of other financial assets as at 31 December 2023 and 2022 is as follows: (cont'd)

				Non-cash changes				31 December 2022 S\$'000
	1 January 2022 S\$'000	Addition S\$'000	Disposal S\$'000	Loss on disposal S\$'000	Fair value adjustment S\$'000	Foreign exchange movement S\$'000	Re- classification S\$'000	
Group								
Non-current:								
Financial instruments at amortised cost	269	-	-	-	-	-	(269)	-
Financial instruments at FVPL	5,662	-	-	-	(3,288)	(389)	-	1,985
Current:								
Financial instruments at amortised cost	270	-	(245)	(26)	-	-	269	268
Financial instruments at FVPL	14,199	148	-	-	(844)	(55)	-	13,448
Total	20,400	148	(245)	(26)	(4,132)	(444)	-	15,701

				Non-cash changes				31 December 2023 S\$'000
	1 January 2023 S\$'000	Addition S\$'000	Disposal S\$'000	Loss on disposal S\$'000	Fair value adjustment S\$'000	Foreign exchange movement S\$'000	Re- classification S\$'000	
Company								
Current:								
Financial instruments at amortised cost	268	-	(266)	-	-	(2)	-	-
Financial instruments at FVPL	13,448	616	-	-	790	(227)	-	14,627
Total	13,716	616	(266)	-	790	(229)	-	14,627

19. Other financial assets (cont'd)

A reconciliation of other financial assets as at 31 December 2023 and 2022 is as follows: (cont'd)

				Non-cash changes				31 December 2022 S\$'000
	1 January 2022 S\$'000	Addition S\$'000	Disposal S\$'000	Loss on disposal S\$'000	Fair value adjustment S\$'000	Foreign exchange movement S\$'000	Re-classification S\$'000	
Company								
Non-current:								
Financial instruments at amortised cost	269	-	-	-	-	-	(269)	-
Current:								
Financial instruments at amortised cost	270	-	(245)	(26)	-	-	269	268
Financial instruments at FVPL	14,199	148	-	-	(844)	(55)	-	13,448
Total	14,738	148	(245)	(26)	(844)	(55)	-	13,716

A summary of the carrying value and fair value of other financial assets is as follows:

	Group			
	Carrying value		Fair value	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Financial assets at amortised cost	-	268	-	272
Financial instruments at FVPL	15,811	15,433	15,811	15,433
	15,811	15,701	15,811	15,705

	Company			
	Carrying value		Fair value	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Financial assets at amortised cost	-	268	-	272
Financial instruments at FVPL	14,627	13,448	14,627	13,448
	14,627	13,716	14,627	13,720

Interest income recognised on financial instruments at amortised cost is S\$37,000 (2022: S\$38,000). This is disclosed as "Interest income" in the consolidated statement of comprehensive income.

20. Inventories

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Statement of financial position:				
Finished goods	60,967	52,826	26,939	22,157
Raw materials	2,067	126	-	-
Work-in-progress	474	209	-	-
Packaging materials	151	129	-	-
	63,659	53,290	26,939	22,157

	Group	
	2023 S\$'000	2022 S\$'000
Consolidated statement of profit or loss:		
Inventories recognised as an expense in profit before tax	87,916	93,808
Inclusive of the following charge:		
- Inventories written-off charged to profit or loss included in cost of sales	19	22
- Inventories written-down, net	91	103

21. Trade and other receivables

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Financial assets				
Trade receivables				
- Third parties	2,857	2,772	1,259	208
- Subsidiary corporations	-	-	42,861	25,916
Less: Allowance for expected credit losses	(1,577)	(1,610)	(9,172)	(11,881)
	1,280	1,162	34,948	14,243
Other receivables				
- Third parties	6,831	7,849	1,156	548
- Refundable rental deposits	2,822	2,509	2,338	2,051
- Subsidiary corporations	-	-	21,874	19,882
- Associate	27	12	-	-
- Related company	-	-	27	12
Less: Allowance for expected credit losses	(265)	(262)	(8,867)	(9,370)
	9,415	10,108	16,528	13,123
Total trade and other receivables	10,695	11,270	51,476	27,366
Less: GST and VAT receivables	-	-	(1,259)	(207)
Total trade and other receivables at amortised cost	10,695	11,270	50,217	27,159

Amounts due from subsidiary corporations are unsecured, bear interests ranging from 3.8% to 6.0% (2022: 3.7% to 4.6%) per annum and are to be settled in cash.

Amount due from an associate and a related company are unsecured, interest-free and receivable on demand.

Refundable rental deposits are deposits placed with lessors. These deposits are unsecured and non-interest bearing and refundable upon termination of leases.

21. Trade and other receivables (cont'd)

The movement in the Group's and Company's expected credit losses on trade receivables are as follows:

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Movement in allowance accounts:				
Beginning of financial year	1,610	1,556	11,881	16,872
Charge for the financial year	40	-	370	268
Write-back for the financial year	(17)	(16)	(3,079)	(5,259)
Foreign exchange difference	(56)	70	-	-
End of financial year (Note 33(b))	1,577	1,610	9,172	11,881

The movement in allowance for expected credit losses used to record the impairment of the Group's and Company's other receivables are as follows:

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Movement in allowance accounts:				
Beginning of financial year	262	264	9,370	9,682
Charge for the financial year	15	12	639	-
Write-back for the financial year	-	-	(1,142)	(312)
Foreign exchange difference	(12)	(14)	-	-
End of financial year	265	262	8,867	9,370

22. Other assets

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Advances to suppliers	9,535	17,360	7,736	15,016
Prepayments	8,492	11,528	790	436
	18,027	28,888	8,526	15,452

23. Cash and cash equivalents

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Cash at banks	573,960	477,389	429,967	267,046
Cash pledged for bank facilities	29,825	3,004	8,435	3,000
Cash pledged for security deposits	4,280	4,438	-	-
	608,065	484,831	438,402	270,046

Cash at banks

These balances include bank balances and short-term deposits with a maturity of less than 90 days. The rate of interest for the cash on interest earning balances is between 0.05% to 5.8% (2022: 0.05% to 7.2%) per annum.

23. Cash and cash equivalents (cont'd)

Cash pledged for bank facilities

This is pledged to certain banks to secure banking facilities granted to the Group and the Company. The Group and the Company utilised S\$15,000,000 of these banking facilities during the reporting date as detailed in Note 26 to the financial statements.

Cash pledged for security deposits

This relates to security deposits required by authorities in China and Vietnam for direct selling licences and are restricted in use.

For the purpose of presenting consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2023 S\$'000	2022 S\$'000
Cash and bank balances (as above)	608,065	484,831
Less: Cash pledged for bank facilities	(29,825)	(3,004)
Less: Cash pledged for security deposits	(4,280)	(4,438)
Cash and cash equivalents per consolidated statement of cash flows	573,960	477,389

24. Trade and other payables

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Trade payables				
- Third parties	5,496	6,608	4,903	2,393
Other payables				
- Third parties	81,253	94,400	4,682	5,406
- Subsidiary corporations	-	-	1,706	970
	81,253	94,400	6,388	6,376
Accrued operating expenses	51,788	50,382	35,135	39,519
Total trade and other payables	138,537	151,390	46,426	48,288
Less: GST and VAT payables	(260)	(3,978)	-	-
Total trade and other payables at amortised cost	138,277	147,412	46,426	48,288

Amounts due to subsidiary corporations are unsecured, interest-free and repayable on demand.

25. Right-of-use assets and lease liabilities

As a lessee

The Group has leases for its office spaces, warehouse, a factory property and equipment. The Group's obligations under its lease is secured by the lessor's title to the leased asset. Generally, the Group is restricted from assigning and subleasing the leased asset.

The Group also has leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:

	Office spaces S\$'000	Factory property S\$'000	Equipment S\$'000	Total S\$'000
Group				
At 1 January 2022	13,407	1,561	20	14,988
Additions	13,335	403	81	13,819
Termination of lease	(1,048)	-	(19)	(1,067)
Lease modification	-	45	-	45
Foreign exchange difference	(857)	-	-	(857)
Depreciation charge (Note 9)	(5,358)	(61)	(11)	(5,430)
At 31 December 2022	19,479	1,948	71	21,498
Additions	7,897	-	-	7,897
Lease modification	384	-	-	384
Foreign exchange difference	(5)	-	-	(5)
Depreciation charge (Note 9)	(6,286)	(62)	(24)	(6,372)
At 31 December 2023	21,469	1,886	47	23,402

	Office spaces	
	2023 S\$'000	2022 S\$'000
Company		
At 1 January	8,803	2,493
Additions	5,714	8,105
Lease modification	181	-
Depreciation charge	(2,654)	(1,795)
At 31 December	12,044	8,803

Lease liabilities are presented in the statement of financial position as follows:

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Current	5,192	5,154	1,648	2,142
Non-current	17,337	15,502	10,086	6,230
Total	22,529	20,656	11,734	8,372

25. Right-of-use assets and lease liabilities (cont'd)

A reconciliation of lease liabilities is as follows:

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Beginning of financial year	20,656	14,062	8,372	2,388
Additions	7,417	12,932	5,234	7,621
Lease modification	384	47	181	-
Accretion of interest	1,151	507	527	166
Termination of lease	-	(1,067)	-	-
Foreign exchange difference	15	(843)	-	-
Payments	(7,094)	(4,982)	(2,580)	(1,803)
End of financial year	22,529	20,656	11,734	8,372

The maturity analysis of lease liabilities is disclosed in Note 33(c) to the financial statements.

Amounts recognised in profit or loss are as follows:

	Group	
	2023 S\$'000	2022 S\$'000
Operating lease expense relating to short-term leases	79	85
Depreciation of right-of-use assets	6,372	5,430
Interest expense on lease liabilities	1,151	507
Loss on lease modification	-	2

The total cash outflows for leases are as follows:

	Group	
	2023 S\$'000	2022 S\$'000
Repayment of lease liabilities	7,094	4,982
Operating lease expense relating to short-term leases	79	85
Total cash outflows for leases	7,173	5,067

26. Borrowings

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Current:				
Variable borrowings:				
- within one year	15,000	-	15,000	-

The Group's and the Company's borrowings are subject to weighted average interest rate of 5.46% per annum and will mature within next 12 months. The fair values of borrowings approximate their carrying amounts.

At 31 December 2023, the entire borrowings amounting to S\$15,000,000 are secured over cash deposits pledged as detailed in Note 23 to the financial statements.

26. Borrowings (cont'd)

A reconciliation of borrowings is as follows:

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Beginning of financial year	-	-	-	-
Additions	15,000	-	15,000	-
Accretion of interest	476	-	476	-
Payments	(476)	-	(476)	-
End of financial year	15,000	-	15,000	-

27. Other financial liabilities

	Group			
	Carrying value		Fair value	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Non-current:				
<i>Financial instruments at FVPL:</i>				
Put option - Pedal Pulses Limited	12,624	11,401	12,624	11,401
Current:				
<i>Financial instruments at FVPL:</i>				
Forward contract	31	43	31	43
Total other financial liabilities (current and non-current)	12,655	11,444	12,655	11,444

	Company			
	Carrying value		Fair value	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Current:				
<i>Financial instruments at FVPL:</i>				
Forward contract	31	43	31	43

A reconciliation of other financial liabilities as at 31 December 2023 and 2022 is as follows:

	1 January 2023 S\$'000	Fair value adjustment S\$'000	Foreign exchange movement S\$'000	31 December 2023 S\$'000
Group				
Non-current:				
Put option - Pedal Pulses Limited	11,401	770	453	12,624
Current:				
Forward contract	43	(12)	-	31
	11,444	758	453	12,655

27. Other financial liabilities (cont'd)

A reconciliation of other financial liabilities as at 31 December 2023 and 2022 is as follows: (cont'd)

	1 January 2022 S\$'000	Fair value adjustment S\$'000	Foreign exchange movement S\$'000	31 December 2022 S\$'000
Group				
Non-current:				
Put option - Pedal Pulses Limited	18,796	(5,623)	(1,772)	11,401
Current:				
Forward contract	-	43	-	43
	18,796	(5,580)	(1,772)	11,444

	1 January S\$'000	Fair value adjustment S\$'000	31 December S\$'000
Forward contract			
Company			
2023	43	(12)	31
2022	-	43	43

28. Provisions

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Non-current:				
Provision for reinstatement	1,605	1,111	964	484
Current:				
Provision for reinstatement	882	882	882	882
Provision for convention expenses	34,000	34,014	-	-
	34,882	34,896	882	882

Provision for convention expenses

Provision for convention expenses are to be incurred for the Group's convention expected to be held during the financial year ending 31 December 2024.

Provision for reinstatement

Provision for reinstatement are to be incurred for the Group's and Company's leased units.

Movements in provision for reinstatement during the financial year are as follows:

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Beginning of financial year	1,993	1,306	1,366	1,082
Addition	494	687	480	284
End of financial year	2,487	1,993	1,846	1,366

It is expected that most of these costs will be incurred upon termination of the leases.

29. Share capital

(a) Share capital

	Group and Company			
	2023		2022	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
Beginning of financial year	451,013	20,618	554,392	20,618
Share purchased and cancelled	-	-	(103,379)	-
End of financial year	451,013	20,618	451,013	20,618

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

Pursuant to two Off-Market Equal Access Offers, the Company purchased and cancelled 54,410,011 and 48,969,010 of its own shares from shareholders at the offer price of S\$1.36 for each share on 8 March 2022 and 17 June 2022 respectively. The total consideration paid for share purchased was approximately S\$140,596,000.

(b) Treasury shares

	Group and Company			
	2023		2022	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
Beginning of financial year	14,893	(18,275)	10,292	(10,591)
Share buyback – held as treasury shares	5,675	-	4,601	(7,684)
End of financial year	20,568	(18,275)	14,893	(18,275)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

For the financial year ended 31 December 2023, the Company purchased 5,675,000 of its ordinary shares by way of on-market purchase at share price ranging from S\$1.63 to S\$2.08 to be held as treasury shares. S\$10.0 million was paid out of profits of the Company.

For the financial year ended 31 December 2022, the Company purchased 4,600,900 of its ordinary shares by way of on-market purchase at share price ranging from S\$1.61 to S\$1.76 to be held as treasury shares. S\$7.7 million was paid out of cash by the Company.

30. Other reserves

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Currency translation reserve	(4,833)	(1,005)	-	-
Statutory reserve	33,384	33,384	-	-
Others	(787)	(787)	322	322
	27,764	31,592	322	322

30. Other reserves (cont'd)

Currency translation reserve

The currency translation reserve is used to record foreign exchange difference arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Statutory reserve

In accordance with the relevant regulations applicable to the subsidiary corporations in the China and Taiwan, the subsidiary corporations are required to make appropriation to Statutory Reserve Fund ("SRF") based on 10% of statutory profits after tax until the cumulative total of the SRF reaches 50% and 100% of the subsidiary corporations' registered capital for China and Taiwan, respectively. Subject to approval from the relevant authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary corporations. The SRF is not available for dividend distribution to shareholders.

Others

Others relate to the effects of:

- (a) A change in ownership interests in a subsidiary corporation when there was no change in control during the financial year ended 31 December 2017;
- (b) Transfer of treasury shares under fulfilment of equity settled share awards granted to employees under the performance share scheme during the financial year ended 31 December 2019; and
- (c) A restructuring exercise in respect of its subsidiary corporations in Indonesia where there was no change in effective shareholding and control during the financial year ended 31 December 2019.

Other reserves are non-distributable.

31. Related parties transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant transactions between the Group and its related parties on rates and terms agreed between the parties during the financial year:

	Group	
	2023 S\$'000	2022 S\$'000
<i>With companies related to directors of the Company</i>		
Consultancy fee expenses	(145)	(22)
Gift expenses	(14)	(12)
<i>With persons related to directors of the Company</i>		
Sale of goods	72	105
Commission expenses	(820)	(598)
Marketing fee	(135)	(190)
Consultancy fee expenses	(128)	(148)

31. Related parties transactions (cont'd)

(b) Compensation of key management personnel

The remuneration of Directors and other members of key management of the Group and of the Company during the financial year are as follows:

	Group	
	2023 S\$'000	2022 S\$'000
Short-term employee benefits	35,317	39,615
Central Provident Fund contributions and other pension contributions	292	297
Total compensation paid to key management personnel	35,609	39,912
Short-term employee benefits paid to the key management personnel comprised:		
- Directors of the Company	28,501	32,383
- Other key management personnel	7,108	7,529
	35,609	39,912

32. Commitments

(a) Operating lease commitments - as lessor

The Group has entered into a commercial property lease on its investment property. The non-cancellable lease has a fixed monthly rental charge and a remaining lease term of 13 months (2022: 13 months).

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting date are as follows:

	Group	
	2023 S\$'000	2022 S\$'000
Not later than one year	125	125
Later than one year and not later than five years	10	10
	135	135

(b) Capital commitments

Capital expenditure contracted for as at the end of the reporting date but not recognised in the financial statements is as follows:

	Group	
	2023 S\$'000	2022 S\$'000
Capital commitments in respect of property, plant and equipment	855	2,610

33. Financial risk management

Financial risk factors

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (including equity price risk and currency risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been, throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. Guidelines set up the short-term and long-term objectives and actions to be taken in order to manage the financial risks. Such guidelines include:

- Minimise interest rate, currency, credit and market risk for all kinds of transactions;
- Maximise the use of "natural hedge", favouring as much as possible the natural offsetting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk;
- All financial risk management activities are carried out and monitored by senior management staff;
- All financial risk management activities are carried out following good market practices;
- When appropriate consideration is given to entering into derivatives or any other similar instruments solely for hedging purposes.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Market risk

(i) Equity price risk

Equity price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest of exchange rates). The Group is exposed to market price risk arising from its investments in quoted investment funds and are held as financial instruments at FVPL (Note 19). The Group does not have exposure to commodity price risk.

The Group's objective is to preserve capital and generate stable and consistent returns through investments in securities. The Group has signed an agreement with a financial institution to manage the Investment Portfolio ("Portfolio"). The following are the restrictions on the Portfolio:

1. Up to 100% of the Portfolio may be invested into the United SGD Fund;
2. Up to 30% of the Portfolio may be invested into the United High Grade Corporate Bond Fund; and
3. Up to 100% of the Portfolio may be invested or held in cash, cash equivalents and fixed deposits.

The Portfolio aims to target returns of 3.0% per annum. Any deviation from this policy is required to be approved by the CEO and Audit Committee. At the end of the reporting date, the entire Portfolio of the Group comprise quoted investment securities.

At the end of the reporting date, if the price of the funds held had been 10% (2022: 10%) higher/lower with all other variables held constant, the Group's profit before income tax would have been S\$1,463,000 (2022: S\$1,345,000) higher/lower, arising as a result of higher/lower fair value gains on held for trading investments in equity instruments.

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) Currency risk

The Group and the Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Chinese Yuan (RMB), British Pound (GBP) and United States Dollar (USD).

The Group's currency exposure based on information provided to key management is as follows:

	RMB S\$'000	GBP S\$'000	USD S\$'000	Total S\$'000
Group				
2023				
Financial assets:				
Other financial assets	-	1,184	14,627	15,811
Cash and cash equivalents	55,496	818	77,680	133,994
	55,496	2,002	92,307	149,805
Financial liabilities:				
Trade and other payables	163	-	1,864	2,027
Other financial liabilities	-	12,624	31	12,655
	163	12,624	1,895	14,682
Total net financial assets/(liabilities)	55,333	(10,622)	90,412	135,123

	RMB S\$'000	GBP S\$'000	USD S\$'000	Total S\$'000
Group				
2022				
Financial assets:				
Other financial assets	-	1,985	13,716	15,701
Cash and cash equivalents	382	56	125,097	125,535
	382	2,041	138,813	141,236
Financial liabilities:				
Trade and other payables	874	-	1,402	2,276
Other financial liabilities	-	11,401	43	11,444
	874	11,401	1,445	13,720
Total net financial (liabilities)/assets	(492)	(9,360)	137,368	127,516

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) Currency risk (cont'd)

The Company's currency exposure based on information provided to key management is as follows:

	RMB S\$'000	GBP S\$'000	USD S\$'000	Total S\$'000
Company				
2023				
Financial assets:				
Trade and other receivables	23,018	-	2,321	25,339
Other financial assets	-	-	14,627	14,627
Cash and cash equivalents	55,496	816	74,796	131,108
	78,514	816	91,744	171,074
Financial liabilities:				
Trade and other payables	163	-	1,307	1,470
Other financial liabilities	-	-	31	31
	163	-	1,338	1,501
Total net financial assets	78,351	816	90,406	169,573

	RMB S\$'000	GBP S\$'000	USD S\$'000	Total S\$'000
Company				
2022				
Financial assets:				
Trade and other receivables	10,027	-	407	10,434
Other financial assets	-	-	13,716	13,716
Cash and cash equivalents	382	-	124,139	124,521
	10,409	-	138,262	148,671
Financial liabilities:				
Trade and other payables	184	-	1,348	1,532
Other financial liabilities	-	-	43	43
	184	-	1,391	1,575
Total net financial assets	10,225	-	136,871	147,096

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) Currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before income tax to a reasonably possible change in the foreign currencies against the respective functional currencies of the Group entities, with all other variables held constant.

	Increase/(decrease) Profit before income tax	
	2023 S\$'000	2022 S\$'000
Group		
RMB		
- Strengthened 10% (2022: 10%)	5,533	(49)
- Weakened 10% (2022: 10%)	(5,533)	49
GBP		
- Strengthened 10% (2022: 10%)	(1,062)	(936)
- Weakened 10% (2022: 10%)	1,062	936
USD		
- Strengthened 10% (2022: 10%)	9,041	13,737
- Weakened 10% (2022: 10%)	(9,041)	(13,737)

The following table demonstrates the sensitivity of the Company's profit before income tax to a reasonably possible change in the foreign currencies against the functional currencies of the Company, with all other variables held constant.

	Increase/(decrease) Profit before income tax	
	2023 S\$'000	2022 S\$'000
Company		
RMB		
- Strengthened 10% (2022: 10%)	7,835	1,023
- Weakened 10% (2022: 10%)	(7,835)	(1,023)
GBP		
- Strengthened 10% (2022: 10%)	82	-
- Weakened 10% (2022: 10%)	(82)	-
USD		
- Strengthened 10% (2022: 10%)	9,041	13,687
- Weakened 10% (2022: 10%)	(9,041)	(13,687)

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group's and the Company's exposure to cash flow interest rate risks arises mainly from current variable-rate borrowings.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD. If the SGD interest rates had been higher/lower by 0.50% with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by S\$62,250 (2022: S\$Nil) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risks by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that credit review, which takes into account qualitative and quantitative factors like business performance and profile of the customers, is performed and approved by management before credit is granted. Customer's payment profile and credit exposures are monitored on an ongoing basis by the Financial Controller.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting date.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 30 to 120 days when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(b) Credit risk (cont'd)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade receivables

The Group and the Company provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group and the Company's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region.

Summarised below is the information about the credit risk exposure on the Group and the Company's trade receivables using provision matrix:

	Less than 30 days S\$'000	31 to 60 days S\$'000	61 to 90 days S\$'000	More than 90 days S\$'000	Total S\$'000
Group					
31 December 2023					
Gross carrying amount	929	248	2	1,678	2,857
Allowance for ECL	-	-	-	(1,577)	(1,577)
Net carrying amount	929	248	2	101	1,280
31 December 2022					
Gross carrying amount	491	18	382	1,881	2,772
Allowance for ECL	-	-	-	(1,610)	(1,610)
Net carrying amount	491	18	382	271	1,162
Company					
31 December 2023					
Gross carrying amount	23,307	10,541	427	9,845	44,120
Allowance for ECL	(75)	(36)	(34)	(9,027)	(9,172)
Net carrying amount	23,232	10,505	393	818	34,948
31 December 2022					
Gross carrying amount	11,938	1,880	307	11,999	26,124
Allowance for ECL	(59)	(43)	(40)	(11,739)	(11,881)
Net carrying amount	11,879	1,837	267	260	14,243

Information regarding loss allowance movement of trade and other receivables are disclosed in Note 21 to the financial statements.

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(b) Credit risk (cont'd)

Excessive risk concentration

Concentration risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Exposure to credit risk

At the end of the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profiles

The credit risk concentration profile of the Group's and Company's trade receivables due from third parties at the end of the reporting date is as follows:

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Top customer	242	377	-	1

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manages its liquidity risk by ensuring the availability of funding through an adequate amount of committed credit facilities from financial institutions. In addition, the Group and the Company also maintain surplus cash for future investment opportunities.

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting date based on contractual undiscounted repayment obligations:

	Less than one year S\$'000	One to five years S\$'000	More than five years S\$'000	Total S\$'000
Group				
31 December 2023				
Financial assets:				
Trade and other receivables	10,695	-	-	10,695
Other financial assets	14,627	1,184	-	15,811
Cash and cash equivalents	608,065	-	-	608,065
	633,387	1,184	-	634,571
Financial liabilities:				
Trade and other payables	138,277	-	-	138,277
Other financial liabilities	31	12,624	-	12,655
Lease liabilities	6,411	16,403	5,226	28,040
Bank borrowings	15,073	-	-	15,073
	159,792	29,027	5,226	194,045
Total net undiscounted financial assets/ (liabilities)	473,595	(27,843)	(5,226)	440,526
31 December 2022				
Financial assets:				
Trade and other receivables	11,270	-	-	11,270
Other financial assets	13,716	1,985	-	15,701
Cash and cash equivalents	484,831	-	-	484,831
	509,817	1,985	-	511,802
Financial liabilities:				
Trade and other payables	147,412	-	-	147,412
Other financial liabilities	43	11,401	-	11,444
Lease liabilities	5,897	15,624	2,185	23,706
	153,352	27,025	2,185	182,562
Total net undiscounted financial assets/ (liabilities)	356,465	(25,040)	(2,185)	329,240

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting date based on contractual undiscounted repayment obligations: (cont'd)

	Less than one year S\$'000	One to five years S\$'000	More than five years S\$'000	Total S\$'000
Company				
31 December 2023				
Financial assets:				
Trade and other receivables	50,217	-	-	50,217
Other financial assets	14,627	-	-	14,627
Cash and cash equivalents	438,402	-	-	438,402
	503,246	-	-	503,246
Financial liabilities:				
Trade and other payables	46,426	-	-	46,426
Other financial liabilities	31	-	-	31
Lease liabilities	2,367	9,226	2,979	14,572
Bank borrowings	15,073	-	-	15,073
	63,897	9,226	2,979	76,102
Total net undiscounted financial assets/ (liabilities)	439,349	(9,226)	(2,979)	427,144
31 December 2022				
Financial assets:				
Trade and other receivables	27,159	-	-	27,159
Other financial assets	13,716	-	-	13,716
Cash and cash equivalents	270,046	-	-	270,046
	310,921	-	-	310,921
Financial liabilities:				
Trade and other payables	48,288	-	-	48,288
Other financial liabilities	43	-	-	43
Lease liabilities	2,531	7,077	-	9,608
	50,862	7,077	-	57,939
Total net undiscounted financial assets/ (liabilities)	260,059	(7,077)	-	252,982

Undrawn available credit facilities

At the end of the reporting date, the Group has undrawn available credit facilities with certain banks of S\$35,187,000 (2022: S\$35,319,000). The undrawn credit facilities are available for operating activities and to settle other commitments. Credit facilities are maintained to ensure funds are available for the operations.

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

The following assets are pledged to banks to secure bank facilities granted by the bank as at 31 December 2023:

- Other financial assets of the Company at carrying value of S\$2,275,000 (31 December 2022: S\$2,194,000); and
- Certain fixed deposits of the Group of S\$29,825,000 (31 December 2022: S\$3,000,000).

(d) Capital risk

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 2022 respectively.

In order to maintain its listing on the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Company has to have share capital with at least a free float of 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the financial year. Management receives a report from the registrars frequently on substantial share interests showing the non-free float and it demonstrated continuing compliance with the 10% limit throughout the financial year.

As disclosed in Note 30 to the financial statements, certain subsidiary corporations of the Group are required by the respective regulations in China and Taiwan to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary corporations for the financial years ended 31 December 2023 and 2022 respectively.

Management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

The Group does not have bank borrowings as at 31 December 2022. As such, the debt-to adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

The Group has bank borrowings and maintains a low level of debt-to adjusted capital ratio as at 31 December 2023.

(e) Fair value measurement

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Fair value measurement disclosure of other financial assets that are recognised or measured at fair value, can be found, Note 19 to the financial statements.

There were no transfers between the levels of fair value measurements during the financial years ended 31 December 2023 and 2022 respectively.

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(e) Fair value measurement (cont'd)

The following table shows an analysis of each class of assets and liabilities measured at fair value by level at the end of the reporting date:

	Quoted prices in active markets for identical instruments (level 1) S\$'000	Significant unobservable inputs (level 3) S\$'000
Group		
2023		
Recurring fair value measurements assets:		
Other financial assets (Note 19)		
- Financial instruments at FVPL	14,627	-
- Call option - Pedal Pulses Limited	-	1,184
Recurring fair value measurements liabilities:		
Other financial liabilities (Note 27)		
- Forward contract	-	(31)
- Put option - Pedal Pulses Limited	-	(12,624)
2022		
Recurring fair value measurements assets:		
Other financial assets (Note 19)		
- Financial instruments at FVPL	13,448	-
- Call option - Pedal Pulses Limited	-	1,985
Recurring fair value measurements liabilities:		
Other financial liabilities (Note 27)		
- Fair value loss on forward contract	-	(43)
- Put option - Pedal Pulses Limited	-	(11,401)

There were no assets and liabilities measured at fair value measurement at Level 2 hierarchy.

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(e) Fair value measurement (cont'd)

(i) Information about significant unobservable inputs used in level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Financial instrument	Valuation techniques	Unobservable inputs	Average rate	
			2023 %	2022 %
Call option - Pedal Pulses Limited	Black-Scholes-Merton model	Risk-free rate	4.12	3.48
		Spread	2.00	2.00
		Volatility rate	32.10	32.00
Put option - Pedal Pulses Limited	Black-Scholes-Merton model	Risk-free rate	4.12	3.48
		Spread	2.00	2.00
		Volatility rate	32.10	32.00

Relationship of unobservable inputs to fair value assets and fair value liabilities

	Pedal Pulses Limited	
	Call option	Put option
	Fair value assets	Fair value liabilities
Risk free rate		
- Increase	Increase	Decrease
- Decrease	Decrease	Increase
Spread		
- Increase	Decrease	Increase
- Decrease	Increase	Decrease
Volatility rate		
- Increase	Increase	Increase
- Decrease	Decrease	Decrease

(ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements at the reporting date using significant unobservable inputs (Level 3)		
	Call option – Pedal Pulses Limited S\$'000	Put option – Pedal Pulses Limited S\$'000	Total S\$'000
Group			
2023			
Beginning of financial year	1,985	(11,401)	(9,416)
Fair value change recognised in profit or loss	(865)	(770)	(1,635)
Foreign exchange difference	64	(453)	(389)
End of financial year	1,184	(12,624)	(11,440)

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(e) Fair value measurement (cont'd)

(ii) Movements in Level 3 assets measured at fair value (cont'd)

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3): (cont'd)

	Fair value measurements at the reporting date using significant unobservable inputs (Level 3)		
	Call option - Pedal Pulses Limited S\$'000	Put option - Pedal Pulses Limited S\$'000	Total S\$'000
Group			
2022			
Beginning of financial year	5,662	(18,796)	(13,134)
Fair value change recognised in profit or loss	(3,288)	5,623	2,335
Foreign exchange difference	(389)	1,772	1,383
End of financial year	1,985	(11,401)	(9,416)

(iii) Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table shows an analysis of the Group's assets and liabilities not measured at fair value, for which fair value is disclosed:

	Quoted prices in active markets for identical assets (level 1) S\$'000	Significant unobservable inputs (level 3) S\$'000	Fair value total S\$'000	Carrying amount S\$'000
Group				
2023				
Assets				
Investment property (Note 13)	-	3,700	3,700	1,054
2022				
Assets				
Investment property (Note 13)	-	3,700	3,700	1,073
Other financial assets (Note 19)				
- Financial instruments at amortised cost	272	-	272	268

Determination of fair value

Description	Valuation techniques	Unobservable input	Average price
2023			
Investment property	Direct comparison method	Price per square foot	S\$2,261
2022			
Investment property	Direct comparison method	Price per square foot	S\$2,537

33. Financial risk management (cont'd)

Financial risk factors (cont'd)

(e) Fair value measurement (cont'd)

(iii) Assets and liabilities not carried at fair value but for which fair value is disclosed (cont'd)

As at the end of the reporting date, a 10% variation from the estimated price per square foot with all other variables held constant would increase/decrease the fair value of the investment property by S\$370,000 (2022: S\$370,000).

Management has determined that the carrying amounts of cash and cash equivalents, other financial assets, other assets, trade and other receivables, lease liabilities (current), trade and other payables, contract liabilities and other financial liabilities, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature. The carrying amount of the non-current portion of these financial instruments are either not material or are reasonable approximation of fair values as their interest rate approximates the market lending rate.

(f) Financial instruments by category

The following table categorises the carrying amounts of financial assets and liabilities recorded at the end of the reporting date:

	Note	Group		Company	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Financial assets:					
<i>Financial assets at fair value through profit or loss</i>					
Other financial assets	19	15,811	15,433	14,627	13,448
<i>Financial assets at amortised cost</i>					
Cash and cash equivalents	23	608,065	484,831	438,402	270,046
Other financial assets	19	-	268	-	268
Trade and other receivables	21	10,695	11,270	50,217	27,159
Total financial assets at amortised cost		618,760	496,369	488,619	297,473
Total financial assets		634,571	511,802	503,246	310,921
Financial liabilities:					
<i>Financial liabilities at fair value through profit or loss</i>					
Other financial liabilities	27	12,655	11,444	31	43
<i>Financial liabilities at amortised cost</i>					
Trade and other payables	24	138,277	147,412	46,426	48,288
Lease liabilities	25	22,529	20,656	11,734	8,372
Bank borrowings	26	15,000	-	15,000	-
Total financial liabilities at amortised cost		175,806	168,068	73,160	56,660
Total financial liabilities		188,461	179,512	73,191	56,703

34. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) The direct selling segment mainly comprises sales to customers through retail and online channels in Singapore, Malaysia, Indonesia, Thailand, Taiwan, Hong Kong, Macau, Vietnam, Philippines, Korea, Australia, New Zealand, United States, Canada and The United Arab Emirates;
- (ii) The franchise segment comprises sales to independent third parties who are permitted to establish and operate BWL Lifestyle Centres in China and exclusively distribute the products under franchise agreements entered into with the Group. Under the franchise model, the Group sells the products directly to franchisees at wholesale price.
- (iii) The other segment comprises sales to customers at export retail price through retailers in the Myanmar, a manufacturing business in Singapore as well as sales of health supplements manufactured by the Group's Hangzhou factory to wholesalers all over China.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss, which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

34. Segment information (cont'd)

	Direct selling S\$'000	Franchise S\$'000	Others S\$'000	Group S\$'000
31 December 2023				
Revenue:				
Sales to external customers (Note A)	292,158	221,277	1,075	514,510
Results:				
Recurring EBITDA (Note B)	77,460	106,302	(13,223)	170,539
Interest income	6,964	5,838	297	13,099
Interest expense	(586)	(695)	(346)	(1,627)
Depreciation	(5,309)	(3,153)	(5,527)	(13,989)
Amortisation	(19)	(5)	(301)	(325)
Share of results of an associate	-	-	(144)	(144)
Share of results of a joint venture	-	-	743	743
Segment profit	78,510	108,287	(18,501)	168,296
Income tax expense				(47,821)
Net profit for the financial year				120,475
Assets:				
Segment assets (Note C)	295,824	392,594	84,773	773,191
Unallocated assets (Note D)				91,677
Total assets				864,868
Liabilities:				
Segment liabilities (Note E)	(44,417)	(153,055)	(7,750)	(205,222)
Unallocated liabilities (Note F)				(69,349)
Total liabilities				(274,571)
Other information:				
Investment in an associate	-	-	1,697	1,697
Investment in a joint venture	-	-	25,528	25,528
Additions to property, plant and equipment	3,357	4,500	3,302	11,159
Additions to intangible assets	17	24	-	41

34. Segment information (cont'd)

	Direct selling S\$'000	Franchise S\$'000	Others S\$'000	Group S\$'000
31 December 2022				
Revenue:				
Sales to external customers (Note A)	265,084	291,562	702	557,348
Results:				
Recurring EBITDA (Note B)	77,185	132,631	(16,761)	193,055
Interest income	2,631	3,385	280	6,296
Interest expense	(203)	(121)	(183)	(507)
Depreciation	(4,026)	(2,383)	(3,842)	(10,251)
Amortisation	(17)	(4)	(304)	(325)
Share of results of an associate	-	-	(299)	(299)
Share of results of a joint venture	-	-	694	694
Segment profit	75,570	133,508	(20,415)	188,663
Income tax expense				(52,404)
Net profit for the financial year				136,259
Assets:				
Segment assets (Note C)	243,031	303,032	88,180	634,243
Unallocated assets (Note D)				105,843
Total assets				740,086
Liabilities:				
Segment liabilities (Note E)	(42,215)	(163,091)	(9,918)	(215,224)
Unallocated liabilities (Note F)				(41,216)
Total liabilities				(256,440)
Other information:				
Investment in an associate	-	-	4,691	4,691
Investment in a joint venture	-	-	25,600	25,600
Additions to property, plant and equipment	2,165	603	11,915	14,683
Additions to intangible assets	17	6	-	23

34. Segment information (cont'd)

Notes:

- (A) Segment results consist of costs directly attributable to a segment as well as those that can be allocated on a reasonable basis.
- (B) Management reporting system evaluates performances mainly based on a measure of earnings before depreciation, amortisation, interests and income taxes (called "Recurring EBITDA").
- (C) Segment assets consist principally property, plant and equipment, intangible assets, right-of-use assets, inventories, trade receivables and cash and cash equivalents.
- (D) The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	Group	
	2023 S\$'000	2022 S\$'000
Deferred tax assets	12,066	11,461
Investment property	1,054	1,073
Other intangible asset	7,387	7,629
Investment in a joint venture	25,528	25,600
Investment in an associate	1,697	4,691
Other financial assets	15,811	15,701
Other assets	18,027	28,888
Unallocated amounts	10,107	10,800
Total	91,677	105,843

- (E) Segment liabilities consist principally trade and other payables, contract liabilities, lease liabilities and provisions.
- (F) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Group	
	2023 S\$'000	2022 S\$'000
Borrowings	(15,000)	-
Other financial liabilities	(12,655)	(11,444)
Deferred tax liabilities	(10,002)	(9,798)
Income tax payable	(31,692)	(19,974)
Total	(69,349)	(41,216)

34. Segment information (cont'd)

Geographical information

The Group's operations are located in Singapore, Taiwan, China, Indonesia, Philippines, Thailand, Malaysia, Hong Kong, Macau, Vietnam, Korea and The United Arab Emirates.

The Group's revenue by geographical location of customers, irrespective of the origin of the goods and services and disclosed in Note 4 to the financial statements.

The following table provides an analysis of the Group's non-current assets by geographical location in which the assets are located:

	Group	
	Non-current assets	
	2023 S\$'000	2022 S\$'000
Singapore	94,669	91,297
China	8,943	9,091
Malaysia	3,022	868
Taiwan	1,447	1,576
Other countries	1,239	1,522
Unallocated amounts	27,225	30,291
Total	136,545	134,645

Non-current assets information presented above consist of property, plant and equipment, investment property, right-of-use assets, intangible assets, other intangible asset, investment in a joint venture and investment in an associate as presented in the consolidated statement of financial position.

The following items are included within unallocated amounts:

	Group	
	2023 S\$'000	2022 S\$'000
Investment in an associate	1,697	4,691
Investment in a joint venture	25,528	25,600
Total	27,225	30,291

Information about a major customer

Revenue from one major customer under the franchise segment amounted to S\$67,369,000 (2022: S\$86,845,000), which is more than 10% of the Group's revenue.

35. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2024 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024) and Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting date. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants; and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-7 *Statement of Cash Flows* and SFRS(I) 7 *Financial Statements*: Disclosures: Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify the characteristics of supplier finance arrangements ("SFA") and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.

The Group does not expect any significant impact arising from applying these amendments.

35. New or revised accounting standards and interpretations (cont'd)

Amendments to SFRS(I) 16 Leases: Lease liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The Group does not expect any significant impact arising from applying these amendments.

36. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Best World International Limited on 28 March 2024.

Major Properties of the Group



Locations:

Blk 726 Ang Mo Kio Avenue 6 #01-4150, Singapore 560726

Description: 2-storey building
Existing Use: Investment property
Tenure of Land: Leasehold land
Expiring: 1 October 2079

No. 11 Jalan Radin Anum, Bandar Baru Seri Petaling 57000, Kuala Lumpur, Malaysia

Description: 4-storey building
Existing Use: Office and Business Centre
Tenure of Land: Leasehold land
Expiring: 5 April 2078

1 Tuas Basin Link, Singapore 638755

Description: 5-storey production building
Existing Use: Manufacturing and Warehousing
Tenure of Land: Leasehold land
Expiring: 15 July 2054

Statistics of Shareholdings

BEST WORLD INTERNATIONAL LIMITED
(Registration No: 199006030Z)

Statistics of Shareholdings
As at 18 March 2024

SHARE CAPITAL

Issued and fully paid-up Share Capital	:	S\$20,773,279.883
Class of Shares	:	Ordinary Shares
Voting Right	:	one vote for every ordinary share (excluding treasury share)
Number of issued shares excluding treasury shares	:	430,445,393
Number of treasury shares	:	20,567,600
Percentage of treasury shares	:	4.78%

The Company has no *subsidiary holdings.

*subsidiary holdings – as defined in the SGX-ST Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 18 March 2024

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	112	5.27	5,276	0.00
100 - 1,000	337	17.74	205,902	0.05
1,001 - 10,000	1,032	48.56	4,749,807	1.10
10,001 - 1,000,000	576	27.11	42,527,890	9.88
1,000,001 and above	28	1.32	382,956,518	88.97
Total	2,125	100.00	430,445,393	100.00

20 LARGEST SHAREHOLDERS AS AT 18 March 2024

	NO. OF SHAREHOLDERS	NO. OF SHARES	%
1	D2 INVESTMENT PTE LTD	192,787,500	44.79
2	CITIBANK NOMINEES SINGAPORE PTE LTD	42,445,234	9.86
3	MAYBANK SECURITIES PTE. LTD.	33,288,233	7.73
4	DORA HOAN BENG MUI	32,330,000	7.51
5	HUANG BAN CHIN	23,300,000	5.41
6	RAFFLES NOMINEES (PTE) LIMITED	7,786,262	1.81
7	DBS NOMINEES PTE LTD	6,502,788	1.51
8	NG SEOW YUEN (HUANG XIAOYAN)	5,363,000	1.25
9	HSBC (SINGAPORE) NOMINEES PTE LTD	4,293,107	1.00
10	PHILLIP SECURITIES PTE LTD	3,716,781	0.86
11	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	3,013,088	0.70
12	CHANG GRACE SHAIN-JOU	3,000,000	0.70
13	WEE KWEE HUAY HELENE	2,873,124	0.67
14	DB NOMINEES (SINGAPORE) PTE LTD	2,324,304	0.54
15	ONG ENG CHYE	1,955,700	0.45
16	LEONG CHAN TEIK	1,903,200	0.44
17	TAN WEY LING	1,864,800	0.43
18	KGI SECURITIES (SINGAPORE) PTE. LTD	1,725,600	0.40
19	DBSN SERVICES PTE LTD	1,500,319	0.35
20	ONG LIONG CHAI	1,500,000	0.35
	Total	373,473,040	86.76

SUBSTANTIAL SHAREHOLDERS as at 18 March 2024
as shown in the Company's Register of Substantial Shareholders

NAME OF SUBSTANTIAL SHAREHOLDERS	SHAREHOLDING REGISTERED IN NAME OF SUBSTANTIAL SHAREHOLDERS		OTHER SHAREHOLDINGS IN WHICH SUBSTANTIAL SHAREHOLDERS ARE DEEMED TO HAVE AN INTEREST	
	NO. OF SHARES	% OF ISSUED SHARES	NO. OF SHARES	% OF ISSUED SHARES
D2 Investment Pte Ltd	192,787,500	44.79	-	-
Dora Hoan Beng Mui	32,330,000	7.51	193,037,500 ⁽¹⁾	44.85
Doreen Tan Nee Moi	31,380,000 ⁽²⁾	7.29	193,037,500 ⁽³⁾	44.85
Huang Ban Chin	23,300,000	5.41	-	-
Ng Seow Yuen	5,363,000	1.25	17,458,000 ⁽⁴⁾	4.06

Notes:-

- (1) This represents Hoan Beng Mui, Dora's deemed interest of 193,037,500 shares held in the name of the following:-
 - a) 192,787,500 shares held by D2 Investment Pte Ltd (a 50% owned private limited company); and
 - b) 250,000 shares held by Li Lihui (an immediate family member)
- (2) Held in the name of Bank Julius Baer & Co. Ltd.
- (3) This represents Tan Nee Moi, Doreen's deemed interest of 193,037,500 shares held in the name of the following:-
 - c) 192,787,500 shares held by D2 Investment Pte Ltd (a 50% owned private limited company); and
 - d) 250,000 shares held by Pek Jia Rong (an immediate family member).
- (4) This represents Ng Seow Yuen's deemed interest of 17,458,000 shares held in the name of Maybank Securities Pte Ltd.

Public Shareholdings

Based on the information provided to the Company as at 18 March 2024, approximately **29.53%** of the total number of issued shares of the Company is held by the public. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Best World International Limited (the “Company”) will be held at 10 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117438 on Friday, 26 April 2024 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2023 and the Directors’ Statement and the Auditors’ Report thereon. **(Resolution 1)**
2. To approve payment of Directors’ fees of S\$280,600 for the financial year ended 31 December 2023 (31 December 2022: S\$245,000) **(Resolution 2)**
- 3(a) To re-elect Mr. Huang Ban Chin who retires pursuant to Regulation 93 of the Company’s Constitution. **(Resolution 3)**

[See Explanatory Note below]

- 3(b) To re-elect Mr. Lee Sen Choon who retires pursuant to Regulation 93 of the Company’s Constitution. **(Resolution 4)**

Mr. Lee Sen Choon will, upon re-election as a Director of the Company, cease to be independent and remain as a non-independent non-executive director of the Company.

[See Explanatory Note below]

4. To re-appoint CLA Global TS Public Accounting Corporation as the Company’s Auditor and to authorise the Directors to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business that may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. Authority to Issue Shares pursuant to the Share Issue Mandate

“That pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”), and the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (a)(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
- (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “Instruments”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;
- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company’s total number of issued shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be the Company’s total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for;

- a) new shares arising from the conversion or exercise of convertible securities which were issued and are outstanding or subsisting at the time this Resolution is passed;

- b) new shares arising from exercising share options or vesting of share awards which were issued and are outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
- c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 6)

7. The Proposed Renewal of the Share Buyback Mandate
"That: -

- (a) for the purposes of the Companies Act 1967 (Singapore) (the "**Companies Act**"), the exercise by the directors of the Company ("**Directors**") of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as herein defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as herein defined) whether by way of:
 - (i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or
 - (ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all laws, regulations and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

- (b) the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next annual general meeting of the Company is held or is required by law to be held;
 - (ii) the date on which the Share buybacks pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked;

(c) in this Resolution:

- (i) "**Prescribed Limit**" means 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered, excluding any subsidiary holdings and treasury shares, that may be held by the Company from time to time;
- (ii) "**Relevant Period**" means the period commencing from the date of passing of this Resolution and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier;
- (iii) "**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:
 - (1) in the case of a Market Purchase: 105% of the Average Closing Price; and
 - (2) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, in the case of a Market Purchase, preceding the date of the Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the date of the Market Purchase, or in the case of an Off-Market Purchase, preceding the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."

(Resolution 7)

By Order of the Board

Huang Ban Chin
Director and Chief Operating Officer

Dated: 11 April 2024

Explanatory Note:**Resolutions 3 and 4**

In relation to Ordinary Resolutions 3 and 4 proposed in item 3(a) and 3(b) above, the detailed information on Mr Huang Ban Chin and Mr Lee Sen Choon is set out in the section entitled “Board of Directors”, Table 2 in the Corporate Governance Report and “Additional Information on Directors Seeking Re-election” of the Company’s 2023 Annual Report.

Mr Lee Sen Choon, if re-elected as a Director of the Company upon the conclusion of the AGM, ceases to be independent and remain as a non-independent non-executive director of the Company. Please refer to the announcement on the changes to the composition of the Board and Board Committees dated 11 April 2024.

STATEMENT PURSUANT TO REGULATION 52 OF THE COMPANY’S CONSTITUTION

The effect of the resolutions under the heading “Special Business” in this Notice of the Annual General Meeting is:

Ordinary Resolution 6 proposed in item 6 above, if passed, will authorise and empower the Directors of the Company from the date of the above Annual General Meeting until the next Annual General Meeting to issue shares in the capital of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

For the purpose of Ordinary Resolution 6, the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the Company’s total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of Instruments or the vesting of share awards which were issued and are outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Ordinary Resolution 7 proposed in item 7 above, will empower the Directors from the date of the above Meeting to purchase or otherwise acquire Shares by way of Market Purchases or Off-Market Purchases, provided that the aggregate number of Shares to be purchased or acquired under the Share Buyback Mandate does not exceed the Prescribed Limit, and at such price(s) as may be determined by the Directors from time to time up to but not exceeding the Maximum Price. The information relating to this proposed Ordinary Resolution is set out in the Appendix.

Important Notes:**Physical Meeting**

- (1) The Annual General Meeting of the Company (the “AGM”) will be held physically with no option for shareholders to participate virtually.
- (2) Printed copies of the Notice of AGM and Proxy Form have been despatched to Shareholders and are also available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s corporate website at the URL <https://bestworld.listedcompany.com/newsroom.html>
- (3) Please bring along your NRIC/passport so as to enable the Company to verify your identity. Shareholders are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell.
- (4) Shareholders (including investors under the Central Provident Fund and the Supplementary Retirement Scheme (“CPF and SRS Investors”)) may participate in the AGM by:
 - (a) attending the AGM in person;
 - (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or
 - (c) voting at the AGM
 - (i) themselves personally; or
 - (ii) through their duly appointed proxy(ies).
- (5) Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including CPF and SRS Investors, who wish to participate in the AGM should approach their respective agents at least (7) seven working days before the AGM, so that the necessary arrangements can be made by the relevant agents for their participating in the AGM.

Voting

1. A member of the Company who is not a relevant intermediary is entitled to appoint not more than (2) two proxies to attend, speak and vote on his/her behalf at the meeting. Where such member appoints more than (1) one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy. A proxy need not be a Member of the Company.
2. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“Relevant Intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

3. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.
4. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
5. The instrument appointing a proxy or proxies, duly completed and signed, must be submitted to the Company in the following manner:
 - (a) by email to IR@bestworld.com.sg; or
 - (b) by depositing a hard copy by post at 20 Pasir Panjang Road, #08-28 Mapletree Business City Singapore 117439,

in either case, by no later than 10.00 a.m. on 23 April 2024 (being not less than seventy-two (72) hours before the time appointed for holding the AGM or at any adjournment thereof) and in default the proxy form for the AGM shall not be treated as valid.

6. A member who wishes to submit a proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
7. Investors who hold shares through relevant intermediaries as defined in Section 18 of the Companies Act, including CPF and SRS investors, who wish to appoint a proxy or proxies (including the Chairman), should approach their respective agents to submit their votes at least seven (7) working days before the AGM in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to vote on their behalf by 5.00 p.m. on 17 April 2024.

8. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967.

Submission of Questions in Advance

- (1) Members may also submit questions relating to the resolutions to be tabled for approval at the AGM in advance of the AGM.
- (2) All questions must be submitted by no later than 10.00 a.m. on 18 April 2024 through any of the following means:
 - (a) by email to IR@bestworld.com.sg; or
 - (b) by post and lodging the same at 20 Pasir Panjang Road #08-28 Mapletree Business City Singapore 117439,

and provide the following particulars, for verification purpose:

- full name as it appears on his/her/its CDP and/or SRS share records;
- NRIC/Passport/UEN number;
- contact number and email address; and
- the manner in which you hold in the Company (e.g. via CDP and/or SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

Alternatively, Shareholders may also ask questions during the AGM

- (3) The Company will endeavour to address all substantial and relevant questions received from shareholders by 21 April 2024, 10.00 a.m, being not less than forty-eight (48) hours before the closing date and time for the lodgement of the proxy form, via SGX-ST's website and the Company's corporate website. The Company will also address any subsequent clarifications sought or follow-up questions during the AGM in respect of substantial and relevant matters. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions will be individually addressed. The responses from the Board and the management of the Company shall thereafter be published on (i) the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements> and (ii) the Company's corporate website at the URL <https://bestworld.listedcompany.com/newsroom.html> together with the minutes of the AGM, within

one (1) month after the conclusion of the AGM. The minutes will include the responses to substantial and relevant questions received from shareholders which are addressed during the AGM.

PERSONAL DATA PROTECTION POLICY:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM of the Company in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions, (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities, and (v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Additional Information on Directors Seeking Re-Election

Huang Ban Chin and Lee Sen Choon are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on Friday, 26 April 2024 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Appendix 7.4.1 Disclosure	Huang Ban Chin	Lee Sen Choon
Date of Initial Appointment	13 September 1994	24 May 2004
Date of last re-appointment	30 September 2021	30 September 2021
Age	55	73
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Huang Ban Chin as the Executive Director was recommended by the Nominating Committee (“NC”) and the Board has accepted the recommendation after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Lee Sen Choon as the Non-Executive, Non Independent Director was recommended by the Nominating Committee (“NC”) and the Board has accepted the recommendation after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Huang Ban Chin is responsible for operational oversight, execution of corporate strategies and geographical expansion	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chief Operating Officer, Chief Risk Officer and Executive Director	<ul style="list-style-type: none"> • Non Independent Director, • Member of Audit Committee • Member of Remuneration Committee
Professional qualifications	Bachelor of Science, National University of Singapore	<ul style="list-style-type: none"> • Bachelor of Science (Hons) degree, Nanyang University, Singapore • Post-Graduate Diploma in Management Studies, University of Salford, United Kingdom • Fellow of Institute of Chartered Accountants in England and Wales • Practicing Member of Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	Join the Group in September 1994 as a Marketing Manager. Has over 20 years of experience in the beauty and wellness industry in Asia.	Managing Partner at UHY Lee Seng Chan & Co, Chartered Accountants
Shareholding interest in the listed issuer and its subsidiaries	23,300,000 shares	207,500 shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	None	None

Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships		
Past (for the last 5 years)	Nil	Soon Lian Holdings Limited
Present	<ul style="list-style-type: none"> - Best World International Limited and subsidiaries <p>Other principal commitments</p> <ul style="list-style-type: none"> - Director, Celligenics - Director, Pedal Pulses Limited 	<ol style="list-style-type: none"> 1. Best World International Limited 2. Hor Kew Corporation Limited <p>Other principal commitments</p> <ul style="list-style-type: none"> - Managing Partner at UHY Lee Seng Chan & Co, Chartered Accountants - Chairman of Audit Committee, Hwa Chong International School - Chairman of School Advisory Committee of Xingnan Primary School
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</p>		
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	Yes He is currently the Executive Director and Chief Operating Officer of Best World International Limited, a listed company in Singapore, which announced that the Company has appointed an Independent Reviewer on 19 March 2019 to validate the Company's sales under Franchise Model. Based on the Notice of Compliance ("NOC") received on 6 February 2020, the SGX RegCo has highlighted regulatory concerns with the Company in the previous NOC dated 13 May 2019 which include, inter alia, the veracity of the Group's sales in China under the Export Model from Financial Years ended 31 December 2015 to 2018 and whether these sales were conducted on normal commercial terms.	Yes He is currently a non-executive independent director of Best World International Limited, a listed company in Singapore, which announced that the Company has appointed an Independent Reviewer on 19 March 2019 to validate the Company's sales under Franchise Model. Based on Notice of Compliance ("NOC") received on 6 February 2020, the SGX RegCo has highlighted regulatory concerns with the Company in the previous NOC dated 13 May 2019 which include, inter alia, the veracity of the Group's sales in China under the Export Model from Financial Years ended 31 December 2015 to 2018 and whether these sales were conducted on normal commercial terms.

k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	N.A.	N.A.



bestworld

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