



BEST WORLD INTERNATIONAL LTD

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

Financial Statements And Related Announcement For The Year Ended 31 December 2016

BEST WORLD INTERNATIONAL LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Singapore dollars)

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

	3 months Ended 31.12.16 \$'000	3 months Ended 31.12.15 \$'000	Change %	12 months Ended 31.12.16 \$'000	12 months Ended 31.12.15 \$'000	Change %
Revenue	61,817	40,945	51.0	200,764	101,672	97.5
Cost of Sales	(17,400)	(10,334)	68.4	(53,797)	(24,805)	116.9
Gross Profit	44,417	30,611	45.1	146,967	76,867	91.2
Other Items of Income						
Interest Income	107	111	(3.6)	335	311	7.7
Other Operating Income	40	1,309	(96.9)	3,712	2,742	35.4
Other Items of Expense						
Distribution Costs	(21,498)	(15,085)	42.5	(66,358)	(36,386)	82.4
Administrative Expenses	(8,008)	(7,877)	1.7	(35,883)	(26,916)	33.3
Finance Costs	(35)	(7)	400.0	(59)	(54)	9.3
Other Gains, Net	3,418	359	852.1	2,216	428	417.8
Profit Before Tax	18,441	9,421	95.7	50,930	16,992	199.7
Income Tax Expense	(6,188)	(6,304)	(1.8)	(16,525)	(7,691)	114.9
Profit For the Period	12,253	3,117	293.1	34,405	9,301	269.9
Profit Attributable to:						
- Owners of the Parent Company	12,304	3,714	231.3	34,569	10,104	242.1
- Non-Controlling Interests	(51)	(597)	(91.5)	(164)	(803)	(79.6)
Profit For the Period	12,253	3,117	293.1	34,405	9,301	269.9
Additional notes:						
Gross Profit Margin	71.9%	74.8%		73.2%	75.6%	
Net Profit Margin	19.9%	9.1%		17.2%	9.9%	
Earnings Per Share (cents)	4.47	1.35		12.56	3.67	

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of Comprehensive Income for the year ended 31 December 2016:

	Group			Group		
	3 months Ended 31.12.16 \$'000	3 months Ended 31.12.15 \$'000	Change %	12 months Ended 31.12.16 \$'000	12 months Ended 31.12.15 \$'000	Change %
Profit for the Period, Net of Tax	12,253	3,117	293.1	34,405	9,301	269.9
<u>Other Comprehensive Income (Expense)</u>						
Exchange Differences on Translating Foreign Operations	<u>895</u>	<u>(734)</u>	NM	<u>2</u>	<u>(571)</u>	NM
Other Comprehensive Income (Expense) for the Period, Net of Tax	<u>895</u>	<u>(734)</u>	NM	<u>2</u>	<u>(571)</u>	NM
Total Comprehensive Income for the Period	<u>13,148</u>	<u>2,383</u>	451.7	<u>34,407</u>	<u>8,730</u>	294.1
Attributable to:						
Owners of the Parent Company	13,211	3,020	337.5	34,616	9,597	260.7
Non-Controlling Interests	<u>(63)</u>	<u>(637)</u>	(90.1)	<u>(209)</u>	<u>(867)</u>	(75.9)
Total Comprehensive Income for the Period	<u>13,148</u>	<u>2,383</u>	451.7	<u>34,407</u>	<u>8,730</u>	294.1

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

	Group	
	12 months Ended	
	31.12.16 \$'000	31.12.15 \$'000
Depreciation of Property, Plant and Equipment	1,771	1,747
Depreciation of an Investment Property	18	18
Amortisation of Intangible Assets	958	1,018
Inventories Written Off	169	142
Allowance for Impairment on Product License	307	-
Allowance for Impairment on Inventories	245	1,005
Fair Value Gain on contingent consideration for Acquisition of subsidiary	-	(954)
Impairment Allowance on Trade Receivables	1,865	265
Impairment Allowance on Other Receivables	44	-
Unrealized Foreign Exchange (Gains) Losses, Net	(2,416)	445
Realized Foreign Exchange Gains, Net	(2,260)	(1,223)
(Gain) Loss on Disposal of Property, Plant and Equipment	(1)	7
Goodwill Written Off	-	27
Interest Income	(335)	(311)
Interest Expense	59	54

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

(Amounts expressed in Singapore dollars)

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

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	\$'000	\$'000	\$'000	\$'000
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	16,765	6,847	2,788	3,531
Investment Property	1,182	1,200	-	-
Intangible Assets	6,216	7,018	14	41
Investment in Subsidiaries	-	-	3,293	4,021
Deferred Tax Assets	582	749	-	-
Other Receivables	-	-	16,295	16,295
Other Financial Assets	2,034	1,990	2,034	1,990
Total Non-Current Assets	<u>26,779</u>	<u>17,804</u>	<u>24,424</u>	<u>25,878</u>
CURRENT ASSETS				
Inventories	42,953	11,515	24,569	8,309
Trade and Other Receivables	23,430	10,587	45,749	12,876
Other Assets	12,089	7,250	9,184	4,445
Cash and Cash Equivalents	54,933	47,247	23,310	12,609
Total Current Assets	<u>133,405</u>	<u>76,599</u>	<u>102,812</u>	<u>38,239</u>
TOTAL ASSETS	<u>160,184</u>	<u>94,403</u>	<u>127,236</u>	<u>64,117</u>
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	20,169	20,169	20,169	20,169
Retained Earnings	68,855	42,015	73,905	30,362
Other Reserve	1,563	1,516	-	-
Equity, Attributable to Owners of the Parent	<u>90,587</u>	<u>63,700</u>	<u>94,074</u>	<u>50,531</u>
Non-Controlling Interests	(1,924)	(1,715)	-	-
Total Equity	<u>88,663</u>	<u>61,985</u>	<u>94,074</u>	<u>50,531</u>
NON-CURRENT LIABILITIES				
Deferred Tax Liabilities	2,826	2,310	429	429
Other Financial Liabilities	4,723	11	-	-
Total Non-Current Liabilities	<u>7,549</u>	<u>2,321</u>	<u>429</u>	<u>429</u>
CURRENT LIABILITIES				
Income Tax Payable	16,485	4,624	11,626	2,313
Trade and Other Payables	43,888	24,505	20,225	9,962
Other Financial Liabilities	2,638	7	-	-
Other Liabilities	961	961	882	882
Total Current Liabilities	<u>63,972</u>	<u>30,097</u>	<u>32,733</u>	<u>13,157</u>
Total Liabilities	<u>71,521</u>	<u>32,418</u>	<u>33,162</u>	<u>13,586</u>
TOTAL EQUITY AND LIABILITIES	<u>160,184</u>	<u>94,403</u>	<u>127,236</u>	<u>64,117</u>

BORROWINGS AND DEBT SECURITIES

(Amounts expressed in Singapore dollars)

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

Amount Repayable in One Year or less, or on Demand

As at 31.12.16		As at 31.12.15	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
2,638	-	7	-

Amount Repayable after One Year

As at 31.12.16		As at 31.12.15	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
4,723	-	11	-

Details of any collateral

Certain leasehold properties of subsidiaries at carrying value of \$10,640,000 as at 31 December 2016 (31 December 2015: \$428,000) and an investment property of a subsidiary at carrying value of \$1,182,000 as at 31 December 2016 (31 December 2015: \$1,200,000) are mortgaged to bank to secure bank facilities granted by the banks.

Plant and equipment with carrying value of \$26,000 as at 31 December 2016 (31 December 2015: \$28,000) were acquired under finance lease arrangements. The obligations under finance leases are secured by the lessor's charge over the leased assets.

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Singapore dollars)

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

	Group		Group	
	3 Months Ended 31.12.16	3 Months Ended 31.12.15	12 Months Ended 31.12.16	12 Months Ended 31.12.15
	\$'000	\$'000	\$'000	\$'000
Cash flows from Operating Activities:				
Profit before Tax	18,441	9,421	50,930	16,992
Interest Income	(107)	(111)	(335)	(311)
Interest Expense	35	7	59	54
Depreciation of Property, Plant and Equipment	517	432	1,771	1,747
Depreciation of an Investment Property	4	4	18	18
Amortisation of Intangible Assets	239	237	958	1,018
Loss (Gain) on Disposal of Property, Plant and Equipment	1	(9)	(1)	7
Goodwill Written Off	-	27	-	27
Allowance for Impairment of Product Licenses	307	-	307	-
Fair Value Gain on Contingent Consideration for Acquisition of subsidiary	-	(954)	-	(954)
Net Effect of Exchange Rate Changes in Consolidating Foreign Subsidiaries	817	(445)	293	(382)
Operating Cash Flows before Changes in Working Capital	<u>20,254</u>	<u>8,609</u>	<u>54,000</u>	<u>18,216</u>
Inventories	(11,318)	(2,664)	(31,438)	(3,762)
Trade and Other Receivables	(1,699)	(1,945)	(12,843)	(1,362)
Other Assets	6,617	(633)	(4,839)	(1,025)
Trade and Other Payables	4,579	5,353	19,383	6,458
Net Cash Flows from Operations before Tax	<u>18,433</u>	<u>8,720</u>	<u>24,263</u>	<u>18,525</u>
Income Tax Refund (Paid)	346	(223)	(4,203)	(1,428)
Net Cash Flows from Operating Activities	<u>18,779</u>	<u>8,497</u>	<u>20,060</u>	<u>17,097</u>
Cash flows from Investing Activities:				
Purchase of Property, Plant and Equipment	(887)	(710)	(11,750)	(1,155)
Disposal of Property, Plant and Equipment	22	4	24	78
Increase in Intangible Assets	(531)	(9)	(538)	(21)
Increase in Other Financial Assets	-	(559)	-	(1,731)
Interest Received	107	111	335	311
Net Cash Flows used in Investing Activities	<u>(1,289)</u>	<u>(1,163)</u>	<u>(11,929)</u>	<u>(2,518)</u>
Cash flows from Financing Activities:				
Dividends paid	-	-	(7,707)	(2,202)
Bonus Share Issue Expenses	-	-	(22)	-
Increase in Other Financial Liabilities	-	-	10,500	-
Repayment of Borrowings	(650)	(1,500)	(3,150)	(5,832)
Finance Lease Repayment	(2)	(4)	(7)	(219)
Interest Paid	(35)	(7)	(59)	(54)
(Increase) Decrease in Cash Restricted in Use	(84)	(213)	223	(4,680)
Net Cash Flows used in Financing Activities	<u>(771)</u>	<u>(1,724)</u>	<u>(222)</u>	<u>(12,987)</u>
Net increase in Cash and Cash Equivalents	16,719	5,610	7,909	1,592
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	32,002	35,202	40,812	39,220
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance Note A	<u>48,721</u>	<u>40,812</u>	<u>48,721</u>	<u>40,812</u>

Note A :

	Group		Group	
	3 Months Ended 31.12.16	3 Months Ended 31.12.15	12 Months Ended 31.12.16	12 Months Ended 31.12.15
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	54,933	47,247	54,933	47,247
Less: Cash pledged	(6,212)	(6,435)	(6,212)	(6,435)
Cash and Cash Equivalents in the Consolidated Cash Flow Statement	<u>48,721</u>	<u>40,812</u>	<u>48,721</u>	<u>40,812</u>

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Singapore dollars)

1(d). (i) A statement (for the Group and company) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to Owners of the Parent Company						Non-Controlling Interests
	Total Equity	Total	Share Capital	Treasury Shares	Retained Earnings	Foreign Currency Translation Reserve	
Group	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 1 January 2016	61,985	63,700	20,618	(449)	42,015	1,516	(1,715)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expense) for the Period	5,061	5,125	-	-	5,963	(838)	(64)
Balance at 31 March 2016	67,046	68,825	20,618	(449)	47,978	678	(1,779)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expense) for the Period	6,758	6,790	-	-	7,369	(579)	(32)
Dividends	(3,303)	(3,303)	-	-	(3,303)	-	-
Balance at 30 June 2016	70,501	72,312	20,618	(449)	52,044	99	(1,811)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expense) for the Period	9,440	9,490	-	-	8,933	557	(50)
Bonus Share Issue Expenses	(22)	(22)	-	-	(22)	-	-
Dividends	(4,404)	(4,404)	-	-	(4,404)	-	-
Balance at 30 September 2016	75,515	77,376	20,618	(449)	56,551	656	(1,861)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expense) for the Period	13,148	13,211	-	-	12,304	907	(63)
Balance at 31 December 2016	<u>88,663</u>	<u>90,587</u>	<u>20,618</u>	<u>(449)</u>	<u>68,855</u>	<u>1,563</u>	<u>(1,924)</u>

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

Group	Attributable to Owners of the Parent Company						Non-Controlling Interests
	Total Equity	Total	Share Capital	Treasury Shares	Retained Earnings	Foreign Currency Translation Reserve	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Balance at 1 January 2015	55,457	56,305	20,618	(449)	34,113	2,023	(848)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expense) for the Period	1,577	1,595	-	-	249	1,346	(18)
Balance at 31 March 2015	57,034	57,900	20,618	(449)	34,362	3,369	(866)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expense) for the Period	952	1,090	-	-	2,106	(1,016)	(138)
Dividends	(1,101)	(1,101)	-	-	(1,101)	-	-
Balance at 30 June 2015	56,885	57,889	20,618	(449)	35,367	2,353	(1,004)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expense) for the Period	3,818	3,892	-	-	4,035	(143)	(74)
Dividends	(1,101)	(1,101)	-	-	(1,101)	-	-
Balance at 30 September 2015	59,602	60,680	20,618	(449)	38,301	2,210	(1,078)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expense) for the Period	2,383	3,020	-	-	3,714	(694)	(637)
Balance at 31 December 2015	61,985	63,700	20,618	(449)	42,015	1,516	(1,715)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

Company	<u>Attributable to Owners of the Parent Company</u>			
	<u>Total Equity</u>	<u>Share Capital</u>	<u>Treasury Shares</u>	<u>Retained Earnings</u>
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2016	50,531	20,618	(449)	30,362
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	5,048	-	-	5,048
Balance as at 31 March 2016	55,579	20,618	(449)	35,410
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	6,549	-	-	6,549
Dividends	(3,303)	-	-	(3,303)
Balance as at 30 June 2016	58,825	20,618	(449)	38,656
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	17,747	-	-	17,747
Bonus Share Issue Expenses	(22)	-	-	(22)
Dividends	(4,404)	-	-	(4,404)
Balance as at 30 September 2016	72,146	20,618	(449)	51,977
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	21,928	-	-	21,928
Balance as at 31 December 2016	<u>94,074</u>	<u>20,618</u>	<u>(449)</u>	<u>73,905</u>
Balance at 1 January 2015	44,881	20,618	(449)	24,712
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	35	-	-	35
Balance as at 31 March 2015	44,916	20,618	(449)	24,747
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	861	-	-	861
Dividends	(1,101)	-	-	(1,101)
Balance as at 30 June 2015	44,676	20,618	(449)	24,507
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	2,435	-	-	2,435
Dividends	(1,101)	-	-	(1,101)
Balance as at 30 September 2015	46,010	20,618	(449)	25,841
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	4,521	-	-	4,521
Balance as at 31 December 2015	<u>50,531</u>	<u>20,618</u>	<u>(449)</u>	<u>30,362</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Singapore dollars)

SHARE CAPITAL

- 1(d). (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

(a) Share Capital

	Group and Company		Group and Company	
	Issued ordinary shares		Issued and fully paid up capital	
	No. of shares		\$'000	
	2016	2015	2016	2015
At 1 January, 31 March and 30 June	220,183,864	220,183,864	20,169	20,169
Bonus shares issued	55,045,893	--	--	--
At 30 September and 31 December	<u>275,229,757</u>	<u>220,183,864</u>	<u>20,169</u>	<u>20,169</u>

(b) Treasury Shares

	Group and Company		Group and Company	
	No. of shares		\$'000	
	2016	2015	2016	2015
At 1 January, 31 March and 30 June	1,573,000	1,573,000	449	449
Bonus shares issued	393,250	--	--	--
At 30 September and 31 December	<u>1,966,250</u>	<u>1,573,000</u>	<u>449</u>	<u>449</u>

For the year ended 31 December 2016 and 31 December 2015, the company did not purchase its ordinary shares to be held as treasury shares.

No new shares were issued pursuant to the Performance Share Scheme.

On 16 September 2016, the company issued 55,439,143 new ordinary shares by way of a bonus issue on the basis of one bonus share for every four existing ordinary shares.

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

The total number of issued ordinary shares excluding treasury shares as at 31 December 2016 was 275,229,757 (31 December 2015: 220,183,864).

The total number of treasury shares as at 31 December 2016 was 1,966,250 (31 December 2015: 1,573,000).

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

Not applicable.

AUDIT

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

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

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

Not applicable.

ACCOUNTING POLICIES

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current year as compared with those used in the audited financial statements for the financial year ended 31 December 2015.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of new and revised FRS does not have a significant impact on the Group.

EARNINGS PER SHARE

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

	GROUP					
	3 months ended 31.12.16	3 months ended 31.12.15	Change %	12 months ended 31.12.16	12 months ended 31.12.15	Change %
Earnings per share of Group:						
(a) Based on weighted average number of ordinary shares on issue (cts); and	4.47	1.35	231.1	12.56	3.67	242.2
(b) On a fully diluted basis (cts)	4.47	1.35	231.1	12.56	3.67	242.2

The earnings per ordinary shares for the 3 months ended 31 December 2016 and 31 December 2015 are calculated based on the profit for the period of approximately \$12.3 million and \$3.7 million respectively. The earnings per ordinary shares for the year ended 31 December 2016 and 31 December 2015 are calculated based on the profit for the year of approximately \$34.6 million and \$10.1 million respectively.

The weighted average number of ordinary shares (excluding treasury shares) for the 3 months ended 31 December 2016 and 31 December 2015 was 275,229,757. The weighted average number of ordinary shares (excluding treasury shares) for the year ended 31 December 2016 and 31 December 2015 was 275,229,757.

For comparative purposes, the number of ordinary shares as at 31 December 2015 was adjusted to include the issue of one bonus share for every four existing ordinary shares held for the calculation of basic and diluted earnings per share.

NET ASSET VALUE PER SHARE

7. **Net asset value (for the Issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

(a) current financial period reported on; and

(b) immediately preceding financial year.

	GROUP		COMPANY	
	31.12.16	31.12.15	31.12.16	31.12.15
Net asset value per ordinary shares (cents)	32.91	23.14	34.18	18.36

Note: The number of ordinary shares of the Group and Company (excluding treasury shares) as at 31 December 2016 and 31 December 2015 was 275,229,757.

For comparative purposes, the number of ordinary shares as at 31 December 2015 was adjusted to include the issue of one bonus share for every four existing ordinary shares held for the calculation of the net asset value per ordinary share.

REVIEW OF THE PERFORMANCE OF THE GROUP

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Overview

The Group recorded a total revenue of \$200.8 million for the financial year ended 31 December 2016, representing a 97.5% increase from the preceding financial year. This is as a result of continual growth from the Group's key markets of Taiwan and China during the year. Profit Attributable to Owners of the Parent Company increased by \$24.5 million to \$34.6 million, a 242.1% increase when compared to FY2015.

Other notes about the Group's performance for the year ended 31 December 2016 include:

- Group's Gross profit margin for FY2016 declined to 73.2% as a result of an increased proportion of revenue generated from the lower gross margin Export business;
- Other Operating Income increased by 35.4% mainly due to higher service fees received from the Group's overseas Export Agent for FY2016. In 4Q2016, lower Other Operating Income of \$40,000 was recorded as a result of adjustments made to reflect the actual service fees for FY2016;
- In line with the increase in the Group's revenue, Distribution Costs, which comprised commissions, advertising and promotion expenses and other sales related costs, increased by 82.4% to \$66.4 million in FY2016. As a result of the increased proportion of revenue from Export segment, Distribution Costs as a percentage to revenue decreased to 33.1% in FY2016 as opposed to 35.8% in FY2015;
- Administrative Expenses for the Group increased from \$26.9 million in FY2015 to \$35.9 million in FY2016 as a result of various expansions into existing and new markets during the year which contributed to higher staff costs and higher lease expenses;
- Net Other Gains of \$2.2 million in FY2016 was mainly attributable to Realised and Unrealised Foreign Exchange Gains recorded during 4Q2016 due to regional currencies such as New Taiwan Dollar and Indonesian Rupiah strengthening against Singapore Dollars as well as Singapore Dollars strengthening against US dollars, offsetting allowance on impairment of trade and other receivables;
- The Group's Income Tax Expenses increased from \$7.7 million in FY2015 to \$16.5 million in FY2016 due to an increase in Profit Before Tax recorded by the Group in FY2016.

Revenue by Business Segments

For Quarter: 4Q2016 Vs 4Q2015

Business Segment	3 months ended 31.12.16 Revenue		3 months ended 31.12.15 Revenue		Change
	\$'000	%	\$'000	%	
Direct Selling	45,867	74.2	34,225	83.6	34.0
Export	14,358	23.2	4,834	11.8	197.0
Manufacturing/Wholesale	1,592	2.6	1,886	4.6	(15.6)
Total	61,817	100.0	40,945	100.0	51.0

For Year-to-Date: 4Q2016 Vs 4Q2015

Business Segment	12 months ended 31.12.16 Revenue		12 months ended 31.12.15 Revenue		Change
	\$'000	%	\$'000	%	
Direct Selling	142,308	70.9	80,545	79.2	76.7
Export	53,793	26.8	14,433	14.2	272.7
Manufacturing/Wholesale	4,663	2.3	6,694	6.6	(30.3)
Total	200,764	100.0	101,672	100.0	97.5

In line with management's expectation for FY2016, revenue contribution from the Group's core business of Direct Selling grew 76.7% year-on-year to \$142.3 million. This is primarily due to healthy growth in Taiwan throughout the year accompanied by increased revenue contribution from Hong Kong.

Increasing market demand for the Group's DR's Secret skincare range in China underpinned Export volume growth for FY2016. Compared to \$14.4 million in FY2015, Export grew 272.7% to \$53.8 million, representing 26.8% of the total Group's revenue.

The Group's Manufacturing/Wholesale business which forms 2.3% of the total Group's revenue declined from \$6.7 million in FY2015 to \$4.7 million in FY2016, due to product registration delayed earlier this year which resulted in the postponement of a product launch. The Management is cautiously optimistic to see an improvement in FY2017 as more marketing activities are expected to be carried out coupled with product launches in FY2017.

As at 31 December 2016, total membership net of attrition for the Group's Direct Selling business increased 1.5% to 435,765 members as compared to 30 September 2016.

Revenue by Geographical Locations

For Quarter: 4Q2016 Vs 4Q2015

Geographical Locations	3 months ended 31.12.16 Revenue		3 months ended 31.12.15 Revenue		Change
	\$'000	%	\$'000	%	%
Singapore	2,250	3.7	1,735	4.2	29.7
China	15,841	25.6	6,512	15.9	143.3
Taiwan	40,080	64.8	27,559	67.3	45.4
Indonesia	1,527	2.5	2,915	7.1	(47.6)
Others	2,119	3.4	2,224	5.5	(4.7)
Total	61,817	100.0	40,945	100.0	51.0

For Year-to-Date: 4Q2016 Vs 4Q2015

Geographical Locations	12 months ended 31.12.16 Revenue		12 months ended 31.12.15 Revenue		Change
	\$'000	%	\$'000	%	%
Singapore	7,053	3.5	7,418	7.3	(4.9)
China	57,861	28.8	19,771	19.4	192.7
Taiwan	122,959	61.3	56,393	55.5	118.0
Indonesia	5,440	2.7	6,507	6.4	(16.4)
Others	7,451	3.7	11,583	11.4	(35.7)
Total	200,764	100.0	101,672	100.0	97.5

Singapore

Revenue from Singapore declined 4.9% to \$7.1 million for FY2016 despite an improvement of 29.7% in 4Q2016. While the market remains highly competitive, the Management is constantly engaging in marketing campaigns to attract new consumers. In addition, two product launches are slated for 1H2017 to stimulate market demand.

China

In FY2016, revenue from China grew 192.7% year-on-year from \$19.8 million in FY2015 to \$57.9 million in FY2016 mainly due to growth in the Export segment. Following the recent announcement of the Direct Selling License awarded from Ministry of Commerce (MOFCOM) in November and coupled with the increasingly popular DR's Secret skincare range, Management opines that China will be our fastest growing market for at least the next three to five years, barring any unforeseen circumstances.

Taiwan

Revenue from Taiwan increased from \$56.4million in FY2015 to \$123.0 million in FY2016 on the back of increased consumption from existing active members and the reinvigoration of low consumption members.

In addition, more transactions are conducted and fulfilled through our online store and mobile apps as online revenue increased from \$2.5 million in FY2015 to \$43.6 million in FY2016.

In line with Management's expectation, the Taiwan anniversary celebrations, which spans the month of October to November, was the major factor leading to the revenue growth of 45.4% for 4Q2016.

Together with the strong growth during the year, revenue grew 118% in FY2016. The management remains cautiously optimistic that growth in Taiwan will sustain for FY2017.

Indonesia

Despite a stronger 1H2016, revenue from Indonesia decreased by 16.4% from \$6.5 million in FY2015 to \$5.4 million in FY2016 primarily due to deliberate efforts to shift product focus from our weight management line to our DR's Secret skin care range during the year.

Moving forward, the management will continue its marketing initiatives to develop the skin care market and steadily build its consumer base in Indonesia.

Others

Sales in Other Markets declined by 35.7% from \$11.6 million in FY2015 to \$7.5 million in FY2016 primarily due to the decline in Philippines, Malaysia, Myanmar and Thailand offsetting improvement from Hong Kong, Vietnam and Korea.

Financial Position and Cash Flow

Non-current assets of the Group increased from \$17.8 million as at 31 December 2015 to \$26.8 million as at 31 December 2016, mainly due to the newly acquired Tuas property, offsetting depreciation of Property, Plant and Equipment and amortisation of Intangible Assets.

Inventories increased from \$11.5 million as at 31 December 2015 to \$43.0 million as at 31 December 2016, in line with the increase in revenue and in anticipation of higher orders from our Export agent and higher demand from one of our subsidiaries for FY2017.

Trade and Other Receivables increased from \$10.6 million as at 31 December 2015 to \$23.4 million as at 31 December 2016 as a result of increased sales to our Export agent during the reporting period.

In line with higher orders placed, Other Assets increased from \$7.3 million as at 31 December 2015 to \$12.1 million as at 31 December 2016 mainly due to higher deposits paid to suppliers.

Trade and Other Payables increased from \$24.5 million as at 31 December 2015 to \$43.9 million as at 31 December 2016 due to higher accruals of convention expenses, freelance commissions and higher accruals for management and staff costs during the period.

Total Other Financial Liabilities increased to \$7.4 million as at 31 December 2016 due to bank borrowings for the newly acquired Tuas property.

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

In line with higher profits experienced by the Company and certain subsidiaries of the Group, Income Tax Payable increased from \$4.6 million as at 31 December 2015 to \$16.5 million as at 31 December 2016.

Net cash flows from operating activities increased to \$20.1 million in FY2016 mainly attributable to increased profit before tax by the Group and increased payables to suppliers offsetting higher inventories maintained during the year.

Net cash flows used in investing activities of \$11.9 million mainly relates to the purchase of the Tuas property in 3Q2016. Net cash flows used in financing activities in FY2016 is mainly due to dividends paid and short term borrowings repaid during the year offsetting bank borrowings for the Tuas property. As a result, Cash and Cash Equivalents in the consolidated statement of cash flows increased to \$48.7 million as at 31 December 2016.

As at 31 December 2016, the Group maintained a strong balance sheet and working capital position, with approximately \$54.9 million of cash and cash equivalents.

COMMENTARY ON THE CURRENT PERIOD'S PROSPECTS

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results are in line with section 10 of the last quarter's results announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

For FY2017, Management foresees growth will be primarily led by the Group's key markets of Taiwan and China. Barring any unforeseen circumstances, management is cautiously optimistic about the Group's performance for the next reporting period and in FY2017.

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

- Besides driving organic growth from our direct selling business, management is constantly on the lookout for other inorganic growth opportunities which would allow the Group to gain access into new markets, acquire new distribution channels, tap into upstream value chain of synergistic businesses and/or gain exclusivity or first movers' advantage to market new products/services to our members etc. During which, management may incur professional fees and other related expenses;
- Higher Administrative expenses due to increase in management and staff in new Regional Centres ("RC"), depreciation expenses related to the Group's Tuas property and machineries/equipment for the factory, establishment of our Changsha RC and expansion/refurbishment plans for our Taipei RC;
- Higher expenses relating to the Group's continuous effort to expand our presence beyond physical stores into PC and mobile devices, manage our online presence and improve our customers' online/offline shopping experience and after sales services;
- Fluctuating currencies of key markets which the Group operates in against the SGD may positively or negatively impact the Group's performance. Management will undertake measures to mitigate any potential risks the Group is exposed to in this aspect; and

- Even though we have obtained our China Direct Selling License for Hangzhou, for prudence, conversion of the Export business to Direct Selling shall be implemented in phases. The priority in the next 12 months, besides to vie for more market share domestically, is to expand the geographical coverage of our direct selling licence to include other regions, starting with cities where we currently already have presence.

Other ongoing factors that affect the Group's performance include, timeline required for product registration in various markets, natural disasters, local direct selling regulations, product regulations and market competition.

DIVIDENDS

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

The directors are pleased to recommend a final one-tier tax-exempt dividend of 3.0 cents per share in respect of the financial year ended 31 December 2016.

(ii) Corresponding Period of the immediately Preceding Financial Year

For the corresponding preceding period, the Company paid a final one-tier tax-exempt dividend of 1.5 cents per share in respect of financial year ended 31 December 2015.

(b) Date payable for dividend

To be advised

(c) Book closure date for dividend

To be advised

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

Not applicable.

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

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

14. Confirmation Pursuant to Rule 720(1) of the Listing Manual

Best World International Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Business Segments

2016

Group

	<u>Direct</u> <u>selling</u> \$ '000	<u>Export</u> \$ '000	<u>Manufactur- ing/ Wholesale</u> \$ '000	<u>Unallocated</u> \$ '000	<u>Total</u> \$ '000
External Sales and Services	142,308	53,793	4,663	-	200,764
Recurring EBITDA	29,108	24,233	(45)	105	53,401
Interest Income	117	71	147	-	335
Interest Expense	(11)	(6)	-	(42)	(59)
Depreciation	(1,173)	(339)	(148)	(129)	(1,789)
Amortisation	(69)	(12)	(877)	-	(958)
Profit (Loss) before Tax from Continuing Operations	27,972	23,947	(923)	(66)	50,930
Income Tax Expense					(16,525)
Profit from Continuing Operations					<u>34,405</u>
<u>Other Segment items</u>					
Additions to Property, Plant and Equipment	1,162	46	205	10,337	11,750
Additions to Intangible Assets	20	2	516	-	538
<u>Assets and Liabilities</u>					
Total Assets for reportable segments	74,943	37,827	17,852	-	130,622
Unallocated:					
Deferred Tax Assets	-	-	-	582	582
Property, Plant and Equipment	-	-	-	10,226	10,226
Investment Property	-	-	-	1,182	1,182
Other Financial Assets	-	-	-	2,034	2,034
Other Assets	-	-	-	12,089	12,089
Other Unallocated Amounts	-	-	-	3,449	3,449
Total Group Assets	<u>74,943</u>	<u>37,827</u>	<u>17,852</u>	<u>29,562</u>	<u>160,184</u>
Total Liabilities for reportable segments	(42,031)	(8,387)	(1,792)	-	(52,210)
Unallocated:					
Deferred Tax Liabilities	-	-	-	(2,826)	(2,826)
Income Tax Payable	-	-	-	(16,485)	(16,485)
Total Group Liabilities	<u>(42,031)</u>	<u>(8,387)</u>	<u>(1,792)</u>	<u>(19,311)</u>	<u>(71,521)</u>

Business Segments
2015
Group

	<u>Direct</u> <u>selling</u> \$ '000	<u>Export</u> \$ '000	<u>Manufactur-</u> <u>ing/</u> <u>Wholesale</u> \$ '000	<u>Unallocated</u> \$ '000	<u>Total</u> \$ '000
External Sales and Services	80,545	14,433	6,694	-	101,672
Recurring EBITDA	10,369	7,340	827	982	19,518
Interest Income	87	39	185	-	311
Interest Expense	(36)	(18)	-	-	(54)
Depreciation	(1,244)	(286)	(217)	(18)	(1,765)
Amortisation	(89)	(20)	(909)	-	(1,018)
Profit before Tax from Continuing Operations	9,087	7,055	(114)	964	16,992
Income Tax Expense					(7,691)
Profit from Continuing Operations					9,301
<u>Other Segment items</u>					
Additions to Property, Plant and Equipment	1,011	81	85	-	1,177
Additions to Intangible Assets	20	1	-	-	21
<u>Assets and Liabilities</u>					
Total Assets for reportable segments	48,819	10,867	19,142	-	78,828
Unallocated:					
Deferred Tax Assets	-	-	-	749	749
Investment Property	-	-	-	1,200	1,200
Other Financial Assets	-	-	-	1,990	1,990
Other Assets	-	-	-	7,250	7,250
Other Unallocated Amounts	-	-	-	4,386	4,386
Total Group Assets	48,819	10,867	19,142	15,575	94,403
Total Liabilities for reportable segments	(20,339)	(3,752)	(1,393)	-	(25,484)
Unallocated:					
Deferred Tax Liabilities	-	-	-	(2,310)	(2,310)
Income Tax Payable	-	-	-	(4,624)	(4,624)
Total Group Liabilities	(20,339)	(3,752)	(1,393)	(6,934)	(32,418)

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

Please see section 8 for explanation.

17. A breakdown of sales

	Group		
	2016 (\$'000)	2015 (\$'000)	% Increase/ (Decrease)
(a) Sales reported for the first half year	86,794	34,536	151.3
(b) Operating profit after tax before deducting minority interests reported for the first half year	13,225	2,195	502.5
(c) Sales reported for second half year	113,970	67,136	69.8
(d) Operating profit after tax before deducting minority interest reported for second half year	21,180	7,106	198.1

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

Type of dividend	2016 (\$'000)	2015 (\$'000)
Interim paid	4,404	1,101
Final (proposed)	8,257	3,303
Total	12,661	4,404

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Financial Year Ended: 31 December 2016

Name	Age	Family relationship with any director, CEO or substantial shareholder	Current position and duties, and the year the position was held	Details if changes in duties and position held, if any, during the year
Tang Boon Leong, Jansen	39	Nephew of Group Co-Chairman, Group CEO/ Managing Director – Dr. Dora Hoan Beng Mui	<p>Group Manager, Regional Membership and Commission</p> <ul style="list-style-type: none"> - Handles regional membership related matters such as distributors' bonus payments and processing new memberships - Position promoted since 1 March 2015 <p>Country Manager, Best World Lifestyle (HK) Company Ltd</p> <ul style="list-style-type: none"> - Overall management & operation of BWL(HK) and China market development - Position held since 1 January 2015 	NA
Tan Hui Keng, Phyllis	46	Sister-in-law of Co-Chairman, Group CEO/ Managing Director – Dr. Dora Hoan Beng Mui	<p>Group Manager, Logistic</p> <ul style="list-style-type: none"> - Handles all matters relating to inventory planning, purchasing, export and import. - Position promoted since 1 March 2015 	NA

On behalf of the Board of Directors

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

Dr. Doreen Tan Nee Moi
Co-Chairman, President

22 February 2017