



BEST WORLD INTERNATIONAL LTD

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

Financial Statements And Related Announcement For the year ended 31 December 2019

BEST WORLD INTERNATIONAL LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019

(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.

	Group			Group		
	3 months ended 31.12.19 \$'000	3 months ended 31.12.18 \$'000	Change %	12 months ended 31.12.19 \$'000	12 months ended 31.12.18 \$'000	Change %
Revenue	158,233	127,670	23.9	424,249	266,300	59.3
Cost of sales	(47,341)	(27,880)	69.8	(117,792)	(58,801)	100.3
Gross profit	110,892	99,790	11.1	306,457	207,499	47.7
<u>Other items of income</u>						
Interest income	425	323	31.6	1,632	840	94.3
Other operating income	2,804	(1,057)	NM	3,490	16,323	(78.6)
<u>Other items of expense</u>						
Distribution costs	(38,384)	(40,822)	(6.0)	(107,160)	(79,917)	34.1
Administrative expenses	(27,642)	(19,452)	42.1	(74,549)	(51,380)	45.1
Finance costs	(341)	(18)	1,794.4	(601)	(91)	560.4
(Other losses) other gains, net	(4,058)	678	NM	(4,209)	(132)	NM
Share of results of an associate	(33)	-	NM	(210)	-	NM
Profit before tax	43,663	39,442	10.7	124,850	93,142	34.0
Income tax expense	(16,788)	(11,404)	47.2	(36,097)	(20,570)	75.5
Profit for the period	26,875	28,038	(4.1)	88,753	72,572	22.3
Profit attributable to:						
- Owners of the parent company	26,941	28,106	(4.1)	88,851	72,892	21.9
- Non-controlling interests	(66)	(68)	(2.9)	(98)	(320)	(69.4)
Profit for the period	26,875	28,038	(4.1)	88,753	72,572	22.3

Additional notes:

Gross profit margin	70.1%	78.2%	72.2%	77.9%
Net Profit margin	17.0%	22.0%	20.9%	27.4%
Earnings per share (cents)	4.95	5.12	16.27	13.26

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of Comprehensive Income for the year ended 31 December 2019:

	Group			Group		
	3 months ended 31.12.19 \$'000	3 months ended 31.12.18 \$'000	Change %	12 months ended 31.12.19 \$'000	12 months ended 31.12.18 \$'000	Change %
Profit for the period, net of tax	26,875	28,038	(4.1)	88,753	72,572	22.3
<u>Other comprehensive income</u>						
Exchange differences on translating foreign operations	576	(1,332)	NM	29	(275)	NM
Other comprehensive expense for the period, net of tax	576	(1,332)	NM	29	(275)	NM
Total comprehensive income for the period	<u>27,451</u>	<u>26,706</u>	2.8	<u>88,782</u>	<u>72,297</u>	22.8
Attributable to:						
Owners of the parent company	27,526	26,831	2.6	88,912	72,553	22.5
Non-controlling interests	(75)	(125)	(40.0)	(130)	(256)	(49.2)
Total comprehensive income for the period	<u>27,451</u>	<u>26,706</u>	2.8	<u>88,782</u>	<u>72,297</u>	22.8

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

	Group	
	12 months ended	
	31.12.19 \$'000	31.12.18 \$'000
Depreciation of property, plant and equipment	1,960	1,769
Depreciation of an investment property	19	18
Amortisation of right-of-use assets	3,949	-
Amortisation of intangible assets	759	744
Inventories written off	20	268
Allowance for Impairment on Product Licenses	2,355	-
Fair value (gain) loss on other financial assets	(652)	15
Fair value loss on forward contracts	817	-
Goodwill written off	-	324
Allowance for (reversal of) impairment on inventories, net	361	(338)
Write back of accruals	-	(1,278)
Impairment (reversal of) on trade receivables	67	(816)
Impairment on other receivables	-	183
Foreign exchange loss, net	1,536	1,990
(Gain) loss on disposal of property, plant and equipment	(275)	52
Interest income	(1,632)	(840)
Interest expense	601	91

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

(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	
	31.12.19	31.12.18	31.12.19	31.12.18
	\$'000	\$'000	\$'000	\$'000
Assets				
Non-current assets				
Property, plant and equipment	14,892	8,246	4,757	3,062
Investment property	1,127	1,146	-	-
Right-of-use assets	14,501	-	6,371	-
Intangible assets	1,287	4,155	18	5
Other intangible assets	7,975	8,206	-	-
Investment in subsidiaries	-	-	33,987	30,234
Investment in an associate	5,415	-	-	-
Deferred tax assets	7,787	441	-	-
Other financial assets	535	1,097	535	1,097
Total non-current assets	<u>53,519</u>	<u>23,291</u>	<u>45,668</u>	<u>34,398</u>
Current assets				
Inventories	96,147	31,423	56,984	15,175
Trade and other receivables	18,130	5,219	53,791	32,734
Other assets	28,439	21,741	9,360	12,424
Other financial assets	12,848	9,596	12,848	9,596
Cash and cash equivalents	241,071	197,124	102,873	64,851
Total current assets	<u>396,635</u>	<u>265,103</u>	<u>235,856</u>	<u>134,780</u>
Total assets	<u>450,154</u>	<u>288,394</u>	<u>281,524</u>	<u>169,178</u>
Equity and liabilities				
Current liabilities				
Income tax payable	23,608	17,813	12,432	9,633
Trade and other payables	165,071	95,053	60,847	24,897
Other financial liabilities	817	2,049	817	-
Lease liabilities	2,884	-	1,718	-
Other liabilities	1,302	961	1,082	882
Total current liabilities	<u>193,682</u>	<u>115,876</u>	<u>76,896</u>	<u>35,412</u>
Net current assets	<u>202,953</u>	<u>149,227</u>	<u>158,960</u>	<u>99,368</u>
Non-current liabilities				
Deferred tax liabilities	138	1,734	138	138
Lease liabilities	11,878	-	4,746	-
Total non-current liabilities	<u>12,016</u>	<u>1,734</u>	<u>4,884</u>	<u>138</u>
Total liabilities	<u>205,698</u>	<u>117,610</u>	<u>81,780</u>	<u>35,550</u>
Net assets	<u>244,456</u>	<u>170,784</u>	<u>199,744</u>	<u>133,628</u>
Equity, attributable to owner of the company				
Share capital	10,027	18,608	10,027	18,608
Retained earnings	230,486	149,315	189,395	114,698
Other reserves	5,888	5,827	322	322
	<u>246,401</u>	<u>173,750</u>	<u>199,744</u>	<u>133,628</u>
Non-controlling interests	(1,945)	(2,966)	-	-
Total equity	<u>244,456</u>	<u>170,784</u>	<u>199,744</u>	<u>133,628</u>
Total equity and liabilities	<u>450,154</u>	<u>288,394</u>	<u>281,524</u>	<u>169,178</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 31.12.19		As at 31.12.18	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
-	-	2,049	-

Amount repayable after one year

As at 31.12.19		As at 31.12.18	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
-	-	-	-

Details of any collateral

Certain leasehold properties of subsidiaries at carrying value of \$403,000 as at 31 December 2019 (31 December 2018: \$408,000), a non-current other intangible asset of a subsidiary at carrying value of \$7,975,000 as at 31 December 2019 (31 December 2018: \$8,206,000), an investment property of a subsidiary at carrying value of \$1,127,000 as at 31 December 2019 (31 December 2018: \$1,146,000), other financial assets of the company at carrying value of \$2,185,000 (31 December 2018: \$Nil) are mortgaged to banks to secure bank facilities granted by the banks.

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 2019

(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 31.12.19 \$'000	3 Months Ended 31.12.18 \$'000	12 Months Ended 31.12.19 \$'000	12 Months Ended 31.12.18 \$'000
Cash flows from operating activities:				
Profit before tax	43,663	39,442	124,850	93,142
Interest income	(425)	(323)	(1,632)	(840)
Interest expenses	341	18	601	91
Depreciation of property, plant and equipment	528	454	1,960	1,769
Amortisation of right-of-use assets	1,163	-	3,949	-
Depreciation of an investment property	5	4	19	18
Impairment loss on product licenses	2,355	-	2,355	-
Amortisation of intangible assets	186	227	759	744
Loss (gain) on disposal of property, plant and equipment	27	2	(275)	52
Goodwill written off	-	-	-	324
Share of results of an associate	33	-	210	-
Issue of Shares by transferring of Treasury Shares	-	-	-	368
Loss on forward contract	817	-	817	-
Fair value (gain) loss on other financial assets	(154)	-	(652)	15
Unrealised exchange (gain) loss	1,690	(2,640)	(183)	(980)
Operating cash flows before changes in working capital	50,229	37,184	132,778	94,703
Inventories	(29,948)	5,885	(64,724)	(3,229)
Trade and other receivables	(10,063)	3,423	(12,940)	41,907
Other assets	905	(5,675)	(6,698)	(17,419)
Trade and other payables	41,166	34,902	71,087	49,344
Other liabilities	341	-	341	-
Net cash flows from operations before tax	52,630	75,719	119,844	165,306
Interest received	425	323	1,632	840
Interest paid	(341)	(18)	(601)	(91)
Income tax paid	(13,723)	(4,978)	(39,215)	(14,995)
Net cash flows from operating activities	38,991	71,046	81,660	151,060
Cash flows from investing activities:				
Acquisition of an associate	-	-	(5,625)	-
Purchase of property, plant and equipment	(3,173)	(893)	(8,677)	(2,580)
Proceeds from disposal of property, plant and equipment	(122)	-	322	-
Purchase of intangible assets	(19)	-	(30)	(11)
Purchase of other financial assets	(2,482)	(8)	(2,506)	(296)
Proceeds from disposal of other financial assets	274	-	274	789
Net cash flows used in investing activities	(5,522)	(901)	(16,242)	(2,098)
Cash flows from financing activities:				
Dividends paid on ordinary shares	-	(6,594)	(6,529)	(27,495)
Purchase of treasury shares	-	-	(8,581)	(1,176)
Repayment of bank borrowings	-	(673)	(2,049)	(5,325)
Repayment of lease liabilities	(1,102)	-	(3,740)	(2)
Decrease (increase) in cash restricted in use	3,628	(260)	3,717	(127)
Net cash flows from (used in) financing activities	2,526	(7,527)	(17,182)	(34,125)
Net increase in cash and cash equivalents	35,995	62,618	48,236	114,837
Effects of exchange rate changes on cash and cash equivalents	(537)	1	(572)	(68)
Cash and cash equivalents, statement of cash flows, beginning balance	199,958	125,133	187,752	72,983
Cash and cash equivalents, statement of cash flows, ending balance Note A	235,416	187,752	235,416	187,752
Note A :				
	Group	Group	Group	Group
	3 Months Ended 31.12.19 \$'000	3 Months Ended 31.12.18 \$'000	12 Months Ended 31.12.19 \$'000	12 Months Ended 31.12.18 \$'000
Cash and bank balances	241,071	197,124	241,071	197,124
Less: Cash pledged	(5,655)	(9,372)	(5,655)	(9,372)
Cash and cash equivalents in the consolidated cash flow statement	235,416	187,752	235,416	187,752

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

(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									
	Total equity	Total	Share capital	Treasury shares	Retained earnings	Foreign currency translation reserve	Statutory reserves	Share-based compensation reserves	Other reserves	Non-controlling interests
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Group										
Balance at 1 January 2019	170,784	173,750	20,618	(2,010)	149,315	(184)	5,647	322	42	(2,966)
Movements in equity										
Total comprehensive income (expense) for the period	10,591	10,598	-	-	10,329	269	-	-	-	(7)
Balance at 31 March 2019	181,375	184,348	20,618	(2,010)	159,644	85	5,647	322	42	(2,973)
Movements in equity										
Total comprehensive income (expense) for the period	25,945	26,001	-	-	26,745	(744)	-	-	-	(56)
Share buy back - held as treasury shares	(8,581)	(8,581)	-	(8,581)	-	-	-	-	-	-
Balance at 30 June 2019	198,739	201,768	20,618	(10,591)	186,389	(659)	5,647	322	42	(3,029)
Movements in equity										
Total comprehensive income (expense) for the period	24,795	24,787	-	-	24,836	(49)	-	-	-	8
Dividends	(6,529)	(6,529)	-	-	(6,529)	-	-	-	-	-
Balance at 30 September 2019	217,005	220,026	20,618	(10,591)	204,696	(708)	5,647	322	42	(3,021)
Movements in equity										
Total comprehensive income (expense) for the period	27,451	27,526	-	-	26,941	585	-	-	-	(75)
Reclassification of accounts*	-	(1,151)	-	-	(1,151)	-	-	-	-	1,151
Balance at 31 December 2019	244,456	246,401	20,618	(10,591)	230,486	(123)	5,647	322	42	(1,945)

* Due to restructuring exercise in respect of subsidiaries in Indonesia

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

(Amounts expressed in Singapore dollars)

Group	Attributable to owners of the parent company									
	Total equity	Total	Share capital	Treasury shares	Retained earnings	Foreign currency translation reserve	Statutory reserves	Share-based compensation reserves	Other reserves	Non-controlling interests
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 1 January 2018	126,790	129,500	20,618	(880)	108,002	1,718	-	-	42	(2,710)
Impact on adoption of SFRS(l) 1	-	-	-	-	1,563	(1,563)	-	-	-	-
Balance at 1 January 2018 as restated	126,790	129,500	20,618	(880)	109,565	155	-	-	42	(2,710)
Movements in equity										
Total comprehensive income (expense) for the period	6,597	6,604	-	-	5,771	833	-	-	-	(7)
Balance at 31 March 2018	133,387	136,104	20,618	(880)	115,336	988	-	-	42	(2,717)
Movements in equity										
Total comprehensive income (expense) for the period	8,692	8,758	-	-	9,128	(370)	-	-	-	(66)
Share buy back - held as treasury shares	(1,176)	(1,176)	-	(1,176)	-	-	-	-	-	-
Transfer of treasury shares pursuant to performance share scheme	368	368	-	46	-	-	-	322	-	-
Dividends	(14,307)	(14,307)	-	-	(14,307)	-	-	-	-	-
Balance at 30 June 2018	126,964	129,747	20,618	(2,010)	110,157	618	-	322	42	(2,783)
Movements in equity										
Total comprehensive income (expense) for the period	30,302	30,360	-	-	29,887	473	-	-	-	(58)
Bonus share issue expenses	-	-	-	-	-	-	-	-	-	-
Dividends	(6,594)	(6,594)	-	-	(6,594)	-	-	-	-	-
Balance at 30 September 2018	150,672	153,513	20,618	(2,010)	133,450	1,091	-	322	42	(2,841)
Movements in equity										
Total comprehensive income (expense) for the period	26,706	26,831	-	-	28,106	(1,275)	-	-	-	(125)
Transfer to statutory reserves	-	-	-	-	(5,647)	-	5,647	-	-	-
Dividends	(6,594)	(6,594)	-	-	(6,594)	-	-	-	-	-
Balance at 31 December 2018	<u>170,784</u>	<u>173,750</u>	<u>20,618</u>	<u>(2,010)</u>	<u>149,315</u>	<u>(184)</u>	<u>5,647</u>	<u>322</u>	<u>42</u>	<u>(2,966)</u>

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

(Amounts expressed in Singapore dollars)

Company	Attributable to owners of the parent company				
	Total equity \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Share-based compensation reserve \$'000
Balance at 1 January 2019	133,628	20,618	(2,010)	114,698	322
<u>Movements in equity</u>					
Total comprehensive income for the period	12,418	-	-	12,418	-
Balance as at 31 March 2019	146,046	20,618	(2,010)	127,116	322
<u>Movements in equity</u>					
Total comprehensive income for the period	4,881	-	-	4,881	-
Share buy back - held as treasury shares	(8,581)	-	(8,581)	-	-
Balance as at 30 June 2019	142,346	20,618	(10,591)	131,997	322
<u>Movements in equity</u>					
Total comprehensive income for the period	19,142	-	-	19,142	-
Dividend	(6,529)	-	-	(6,529)	-
Balance as at 30 September 2019	154,959	20,618	(10,591)	144,610	322
<u>Movements in equity</u>					
Total comprehensive income for the period	44,785	-	-	44,785	-
Balance as at 31 December 2019	<u>199,744</u>	<u>20,618</u>	<u>(10,591)</u>	<u>189,395</u>	<u>322</u>
Balance at 1 January 2018	116,172	20,618	(880)	96,434	-
<u>Movements in equity</u>					
Total comprehensive income for the period	3,124	-	-	3,124	-
Balance as at 31 March 2018	119,296	20,618	(880)	99,558	-
<u>Movements in equity</u>					
Total comprehensive income for the period	7,885	-	-	7,885	-
Share buy back - held as treasury shares	(1,176)	-	(1,176)	-	-
Transfer of treasury shares pursuant to performance share scheme	368	-	46	-	322
Dividends	(14,307)	-	-	(14,307)	-
Balance as at 30 June 2018	112,066	20,618	(2,010)	93,136	322
<u>Movements in equity</u>					
Total comprehensive income for the period	24,663	-	-	24,663	-
Bonus share issue expenses	-	-	-	-	-
Dividends	(6,594)	-	-	(6,594)	-
Balance as at 30 September 2018	130,135	20,618	(2,010)	111,205	322
<u>Movements in equity</u>					
Total comprehensive income for the period	10,087	-	-	10,087	-
Dividends	(6,594)	-	-	(6,594)	-
Balance as at 31 December 2018	<u>133,628</u>	<u>20,618</u>	<u>(2,010)</u>	<u>114,698</u>	<u>322</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

(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	
	2019	2018	2019	2018
At 1 January and 31 March	549,395,114	550,088,514	18,608	19,738
Share buy back – held as treasury shares	(5,295,000)	(925,000)	(8,581)	(1,176)
Transfer of treasury shares pursuant to performance share scheme	-	231,600	-	46
At 30 June, 30 September and 31 December	544,100,114	549,395,114	10,027	18,608

(b) Treasury Shares

	Group and Company		Group and Company	
	No. of shares		\$'000	
	2019	2018	2019	2018
At 1 January and 31 March	4,996,900	4,303,500	2,010	880
Share buy back – held as treasury shares	5,295,000	925,000	8,581	1,176
Transfer of treasury shares pursuant to performance share scheme	-	(231,600)	-	(46)
At 30 June, 30 September and 31 December	10,291,900	4,996,900	10,591	2,010

For the three months ended 31 December 2019 and 31 December 2018, the company did not purchase its ordinary shares to be held as treasury shares.

On 23 April 2018, the company transferred 231,600 of its treasury shares for fulfilment of share awards vested under the performance share scheme.

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

The total number of issued ordinary shares excluding treasury shares as at 31 December 2019 was 544,100,114 (31 December 2018 was 549,395,114).

The total number of treasury shares as at 31 December 2019 was 10,291,900 (31 December 2018 was 4,996,900).

- (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 2017 and unaudited financial statements for the financial year ended 31 December 2018, except for the adoption of the new and revised SFRS (I) applicable for the financial year beginning 1 January 2019.

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 Group and Company have adopted the new and revised SFRS (I) applicable for the financial year beginning 1 January 2019. The impact of adopting the following SFRS (I) which is effective for financial year beginning 1 January 2019, is detailed as follows:

SFRS(I) 16 – Leases

The Group and Company adopted SFRS(I) 16 and elected modified retrospective method where the lease liability was measured at present value of the remaining lease payments discounted using the incremental borrowing rate at the date of initial application. The Company adopted to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment relating to that lease recognised in balance sheet as at 1 January 2019. In addition, the Group elected the following practical expedients:

- i) not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases
- ii) to apply the exemption not to recognize right-of-use assets and lease liabilities to lease for which the lease term ends within 12 months as of 1 January 2019
- iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

Summary of Impact:

Group	1 January 2019	SFRS(I) 16	1 January 2019 (Restated)
	\$'000	\$'000	\$'000
Non-current assets			
Right-of-use assets	-	10,376	10,376
Non-current liabilities			
Lease liabilities	-	6,858	6,858
Current liabilities			
Lease liabilities	-	3,518	3,518

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 31.12.19	3 months ended 31.12.18	Change %	12 months ended 31.12.19	12 months ended 31.12.18	Change %
Earnings per share of Group:						
(a) Based on weighted average number of ordinary shares on issue (cts); and	4.95	5.12	(3.3)	16.27	13.26	22.7
(b) On a fully diluted basis (cts)	4.95	5.12	(3.3)	16.27	13.26	22.7

For comparative purposes, the earnings per ordinary shares for the three months ended 31 December 2019 and 31 December 2018 are calculated based on the profit for the period of approximately \$26.9 million and \$28.1 million respectively. The earnings per ordinary shares for the year ended 31 December 2019 and 31 December 2018 are calculated based on the profit for the year of approximately \$88.9 million and \$72.9 million respectively.

The weighted average number of ordinary shares (excluding treasury shares) for the three months ended 31 December 2019 is 544,100,114 (3 months ended 31 December 2018: 549,395,114). The weighted average number of ordinary shares (excluding treasury shares) for the year ended 31 December 2019 is 545,939,718 (for the year ended 31 December 2018: 549,696,088).

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	
	31.12.19	31.12.18	31.12.19	31.12.18
Net asset value per ordinary shares (cents)	45.29	31.63	36.71	24.32

Note: The number of ordinary shares of the Group and Company (excluding treasury shares) as at 31 December 2019 was 544,100,114 (31 December 2018: 549,395,114).

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

In line with previous announcement on the new accounting standards SFRS(I) 15, Revenue from Contracts with Customers and certain expenses previously recorded in distribution costs are to be recorded as reduction in revenue. Overall, the Group reported a total revenue of \$424.2 million in FY2019, representing an increase of 59.3% when compared to FY2018 mainly due to increase in revenue from our Franchise segment and Direct Selling segment.

Cost of sales increased by 100.3% to \$117.8 million in FY2019 mainly due to increase in China custom duties on goods made in the United States, higher filling/bottling/packaging charges and freight & handling charges. As a result, the Group's gross profit margin decrease from 77.9% in FY2018 to 72.2% in FY2019.

In line with our previous announcement, net profit margin for 4Q2019 decreased to 17.0% while net profit margin in FY2019 decreased to 20.9% mainly due to the following factors:

- Other operating income of \$2.8 million recorded in 4Q2019 is mainly attributable to IT service fees received and certain government incentives. Overall in FY2019, other operating income decreased to \$3.5 million from \$16.3 million mainly due to absence of a one-time trademark royalty income in 3Q2018;
- In line with previous quarter announcement, interest income increased from \$323,000 in 4Q2018 to \$425,000 in 4Q2019 mainly attributable to interest from deposits placed in banks and other financial assets;
- In 4Q2019, distribution costs decreased slightly to \$38.4 million from \$40.8 million in 4Q2018 mainly due to lower accrued convention expenses compared to the same period last year offsetting increase of sales related expenses for the Franchise segment and freelance commissions for the Direct Selling segment. Compared to FY2018, distribution costs in FY2019 increased 34.1% by \$27.2 million mainly due to increase of sales related expenses for the Franchise segment and freelance commissions for the Direct Selling segment offsetting lower accrual for convention expenses;
- The Group's administrative expenses increased by 42.1% in 4Q2019 when compared to 4Q2018 and increased by 45.1% in FY2019 when compared to FY2018 mainly due to increase in management and staff costs and higher professional fees in relation to the ongoing independent review of the Group's business in China;
- Finance costs for 4Q2019 increased to \$341,000 from \$18,000 in 4Q2018 mainly due to interest expense on lease liabilities arising from the adoption of SFRS(I) 16 Leases;

- Net other losses of \$4.1 million in 4Q2019 and \$4.2 million in FY2019 were largely attributable to allowance of \$2.4 million for impairment on product licenses, fair value loss of \$0.8 million on forward contracts as well as net foreign exchange loss of \$0.8 million for 4Q2019 and \$1.3 million for FY2019 respectively due to a weakened USD and Renminbi against SGD.
- Share of losses of \$33,000 in an associated company for 4Q2019 was mainly due to Celligenics, an investment the Group made in 1Q2019; and
- In FY2019, the Group incurred income tax expense of \$36.1 million mainly attributable to certain profitable subsidiaries in the Group. In addition, the Group's effective tax rate increased to 28.9% from 22.1% vis-à-vis FY2018 due to higher corporate tax rates applicable to certain profitable subsidiaries.

As a result, the Group's profit attributable to owners of the parent company increased 21.9% to \$88.9 million in FY2019 when compared to FY2018.

Revenue by Business Segments

For quarter: 4Q2019 Vs 4Q2018

Business Segment	3 months ended 31.12.19 Revenue		3 months ended 31.12.18 Revenue		Change %
	\$'000	%	\$'000	%	
Direct Selling	58,722	37.1	47,538	37.2	23.5
Export	29	0.0	83	0.1	(65.1)
Manufacturing/Wholesale	534	0.4	1,231	1.0	(56.6)
Franchise	98,948	62.5	78,818	61.7	25.5
Total	158,233	100.0	127,670	100.0	23.9

For the year ended: 2019 Vs 2018

Business Segment	12 months ended 31.12.19 Revenue		12 months ended 31.12.18 Revenue		Change %
	\$'000	%	\$'000	%	
Direct Selling	148,213	34.9	121,032	45.4	22.5
Export	431	0.1	10,796	4.1	(96.0)
Manufacturing/Wholesale	2,420	0.6	4,091	1.5	(40.8)
Franchise	273,185	64.4	130,381	49.0	109.5
Total	424,249	100.00	266,300	100.00	59.3

In FY2019, the Group generated \$148.2 million or 34.9% of its total revenue from the Direct Selling segment representing an increase of 22.5% primarily due to growth from its key markets of Singapore and Taiwan, as well as growth from other markets like Hong Kong and Malaysia.

Revenue from the Export segment, which is solely made up of exports to Myanmar, contributed 0.1% of the Group's total revenue in FY2019.

For 4Q2019, Manufacturing/Wholesale segment revenue contributed only 0.4% of the Group's total revenue. Since beginning of FY2019, revenue from this segment had decreased by 40.8%

mainly due to general slowdown in health supplements sector in China as a result of market clamp down by authorities.

Franchise segment, which grew by 25.5% or \$20.1 million in 4Q2019 when compared to 4Q2018, continued to be the Group's biggest revenue generator mainly attributable to growing underlying market demand for the Group's skincare line. For the whole financial year, it made up 64.4% of the Group's total revenue.

As at 31 December 2019, we have 32 franchisees, which are distributed over eleven provinces and one municipality in mainland China.

As at 31 December 2019, the Group has 108,197 members for its Direct Selling segment, representing a 5.0% increase when compared to 3Q2019.

Revenue by Geographical Locations

For quarter: 4Q2019 Vs 4Q2018

Geographical Locations	3 months ended 31.12.19 Revenue		3 months ended 31.12.18 Revenue		Change %
	\$'000	%	\$'000	%	
Singapore	2,450	1.5	2,647	2.1	(7.4)
China	99,482	62.9	80,049	62.7	24.3
Taiwan	47,689	30.1	36,334	28.5	31.3
Indonesia	2,026	1.3	5,263	4.1	(61.5)
Others	6,586	4.2	3,377	2.6	95.0
Total	158,233	100.0	127,670	100.0	23.9

For the year ended: 2019 Vs 2018

Geographical Locations	12 months ended 31.12.19 Revenue		12 months ended 31.12.18 Revenue		Change %
	\$'000	%	\$'000	%	
Singapore	8,764	2.1	8,124	3.1	7.9
China	275,605	65.0	144,807	54.4	90.3
Taiwan	110,816	26.1	85,994	32.3	28.9
Indonesia	10,453	2.4	15,760	5.9	(33.7)
Others	18,611	4.4	11,615	4.3	60.2
Total	424,249	100.0	266,300	100.0	59.3

Singapore

In 4Q2019, revenue from Singapore decreased slightly to \$2.5 million when compared to 4Q2018 mainly because of sales momentum disruption caused by the delayed opening of our new Cuppage Regional Centre cum Concept Store in late October. Despite operating without a sales showroom since May 2019, revenue of Singapore for FY2019 increased by 7.9% or \$0.6 million vis-à-vis the same period last year, mainly attributable to successful online and offline sales events held throughout the year.

China

Since the Franchise segment only commenced in the last week of June FY2018, contribution from the Franchise segment increased by 90.3% in FY2019 compared to FY2018. For 4Q2019, Revenue from China improved by 24.3% or \$19.4 million when compared to the same period last year mainly due to the growth in underlying consumers' demand for the Group's skincare line, DR's Secret, driven by our franchisees.

Taiwan

In 4Q2019, revenue from Taiwan increased to \$47.7 million when compared to \$36.3 million in 4Q2018, driven mainly by increased sales efforts by distributors through online to offline (O2O) interactions with their followers, coupled with sales promotions, distributors' incentives as well as a successful anniversary promotional events held from October to November. Overall, Taiwan sales increased by 28.9% to \$111.0 million in FY2019 when compared to FY2018.

Indonesia

In line with previous announcement, revenue from Indonesia for 4Q2019 decreased to \$2.0 million, from \$5.3 million in 4Q2018, mainly due to continued online discounting and market disruptions as a result of demonstrations and social tension after the April elections which lasted till late October 2019, resulting in less market driving activities. As a result, FY2019 revenue decreased to \$10.5 million by 33.7% when compared to FY2018.

Others

With continuous efforts by our distributors to expand the sale of the Group's brands of products globally through our online store and mobile apps, the Group was able to establish new markets such as Australia, New Zealand and the United Kingdom in FY2019. As a result, revenue from other markets increased by 95.0% in 4Q2019. Overall, revenue from other markets in FY2019 increased by 60.2% when compared to the same period last year, mainly attributable to the development of new markets as well as increase in sales from Hong Kong, Malaysia, Thailand, Philippines, Korea and UAE, offsetting decline from the markets of Vietnam and Myanmar.

Financial Position and Cash Flow

Non-current assets of the Group increased from \$23.3 million as at 31 December 2018 to \$53.5 million as at 31 December 2019, mainly attributable to increase of Property, Plant and Equipment in relation to construction in progress for our Tuas facility, the increase in right-of-use assets with the adoption of SFRS(I) 16 Leases, our newly acquired investment in associate, Celligenics and an increase in deferred tax asset offsetting decrease mainly in intangible assets and other intangible assets.

Inventories increased from \$31.4 million as at 31 December 2018 to \$96.1 million as at 31 December 2019 mainly due to building up of inventories for the Hunan branch of the Group's China subsidiary and for our Singapore headquarters, in anticipation for higher year-end demand.

Trade and other receivables increased from \$5.2 million as at 31 December 2018 to \$18.1 million as at 31 December 2019 mainly due to higher GST receivables and higher trade receivables from Hunan franchisees which were subsequently settled.

Other assets increased from \$21.7 million as at 31 December 2018 to \$28.4 million as at 31 December 2019 mainly due to an increase in deposits made for the purchase of equipment for our Tuas facility and advance payments made to suppliers by the Hunan branch of our China subsidiary.

Trade and other payables increased from \$95.1 million as at 31 December 2018 to \$165.1 million as at 31 December 2019 mainly due to higher trade payables to our suppliers, higher accruals made for commissions, management and staff incentives, as well as higher sales related expenses from our franchise segment.

Other Financial liabilities decreased from \$2.0 million as at 31 December 2018 to \$0.8 million as at 31 December 2019 mainly due to repayment of bank borrowings offsetting fair value loss of forward contracts of \$0.8 million during the period.

Total lease liabilities increased to \$14.8 million as at 31 December 2019 due to the adoption of SFRS(I) 16 Leases.

Other liabilities increased from \$1.0 million as at 31 December 2018 to \$1.3 million as at 31 December 2019 mainly due to provision for restoration costs of our new BWI HQ office and BWL Singapore regional centre cum concept store.

Income Tax Payable increased from \$17.8 million as at 31 December 2018 to \$23.6 million as at 31 December 2019 due to tax payables from the profitable companies.

As at 31 December 2019, the Group recorded net cash flows from operating activities of \$81.7 million mainly due to the Group's net profit before tax of \$124.9 million, offsetting changes in working capital mainly as a result of increase in inventories, trade and other receivables, trade and other payables as well as income tax payments for the year. Net cash flow used in investing activities of \$16.2 million was mainly due to the acquisition of an associate, Celligenics, of \$5.6 million, addition of property, plant and equipment of \$8.7 million mainly relating to Tuas facility as well as purchase of other financial assets of \$2.5 million. Net cash flow used in financing activities of \$17.2 million was mainly attributable to dividends paid on ordinary shares, purchase of treasury shares, repayment of bank borrowings and repayment of lease liabilities offsetting decrease in restricted cash in use as at 31 December 2019.

As at 31 December 2019, the Group maintained \$241.1 million in cash and cash equivalents.

Key findings of the Interim Update

In relation to the findings raised in the interim update report issued by PwC (the "Independent Accountant") on 22 March 2020, the Group is currently working with its auditors and legal advisors on the below 2 exceptions observed based on PwC's work done:

- a) Potential sales cut-off issue for goods sold which remained undelivered as at 31 December 2018

The potential impact to the revenue for the year ended 31 December 2018 is estimated to be between CNY54 million based on the Company's estimate and CNY111.8 million based on the work performed by the Independent Accountant on significant franchisees. The Group is working with the Independent Accountant to reconcile the difference and will work closely with the Group's auditor on the quantification of the adjustments to the sales and inventory numbers for FY2018. The potential sales cut-off adjustments will result in lower revenue, cost of sales, distribution costs, trade receivables and trade and other payables for FY2018.

Any adjustments in relation to the potential sales cut-off for FY2018 will be concurrently adjusted in FY2019.

b) Potential understatement of BW Changsha's sales and certain related expenses

The Group is currently working with the Group's auditor to review and consider if any reclassification or adjustments are necessary to the financial statements for the year ended 31 December 2018. However, should there be any reclassification or adjustments to the financial statements of FY2018, the net financial impact of such reclassification or adjustments is unlikely to be significant.

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.

Amidst global uncertainty, the Group is treading into uncharted waters for FY2020. Barring unforeseen circumstances, management is cautious about the Group's performance outlook for the next 12 months and expects the possibility of achieving flat or negative revenue and profit growth due to the following factors:

- Since the outbreak of the novel Coronavirus (Covid-19) in China in January 2020, many provinces and municipalities implemented strict public health measures and had been in lockdown since February till mid-March 2020. These lockdowns had resulted in logistical delays which will negatively impact the Group's sales in China moving forward. Our Changsha office also opened only in mid-March 2020. As the Group's growth is to a large extent dependent on China's performance, we expect this to cast uncertainty over the Group's financial performance for FY2020.

The Group will continue to monitor closely the situation in relation to Covid-19 for all the markets we operate in and will make further announcements to update Shareholders should any material developments arise;

- Some of the Group's shipments from our contract manufacturers are delayed as they experience delays of their own for raw materials essential in fulfilling our orders. As a result, we expect possible goods shortages to occur for certain markets in the quarters ahead resulting in lower sales;
- While Covid-19 had taken centre stage, China's trade disputes with the US is still an ongoing one. Its response by increasing import duties to US made skin care products from 11% to as high as 31%, will impact the profitability of the Group's China business negatively;
- We are still expecting higher professional fees in relation to the independent review. The expenses include and are not limited to, Independent Accountant's fees, legal costs and other expenses. The Group also expects other professional expenses due

to the engagement of various professionals to, amongst other reasons, identify and assess M&A and corporate development opportunities relevant to the Group's business, and to ensure that its operations adhere to all relevant local regulations in the different jurisdictions it operates in;

- The Group expects higher administrative expenses in relation to management and staff costs to cater to our expanding business activities, the construction of our Tuas manufacturing facilities and the relocation & refurbishment of certain Regional Centres;
- Fluctuations of currencies in key markets which the Group operates in against the Singapore Dollar may positively or negatively affect the Group's performance. Management actively undertakes measures to mitigate such risks.

Other ongoing factors that may affect the Group's performance include and are not limited to, timeline for product license registration and renewal in key markets, natural disasters, unanticipated regulatory changes in key markets we operate in and disruptions from market competition.

DIVIDENDS

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

None

(ii) Corresponding Period of the immediately Preceding Financial Year

For the corresponding period of the immediately preceding financial year, the Company recommended a special one-tier tax-exempt dividend of 4.2 cents per share and a special final one-tier tax-exempt dividend of 0.8 cents per share in respect of the financial year ended 31 December 2018.

(b) Date payable for dividend

Not applicable

(c) Book closure date for dividend

Not applicable

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

In view of the indefinite and prolonged disruption caused by the Covid-19 outbreak in all the markets that the Group operate in, the Board has decided to suspend the dividend policy for FY2019 and not declare a final dividend for FY2019 as a prudent move to conserve cash in the face of heightened economic volatility and business uncertainty. The build-up of cash buffer will also allow the Group to capitalise on any opportunities that may arise in such turbulent times.

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

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

Interested Person Transactions

Name of Interested Person	For the Year Ended 31 December 2019	
	Aggregate value of all interested person transactions during the financial year under review (excluding transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920
	\$'000	\$'000
Audrey Koh Karmen ⁽¹⁾		
- Sales	14	NA
- Freelance commission paid	6	NA
- Overseas trip expense	4	NA
- Training services	312	NA
Pek Lu Pin ⁽²⁾		
- Sales	11	NA
- Freelance commission paid	97	NA
Huan Beng Choon ⁽³⁾		
- Sales	21	NA
- Freelance commission paid	90	NA

Note (1): Spouse of Huang Ban Chin

Note (2): Daughter of Doreen Tan Nee Moi

Note (3): Brother of Dora Hoan Beng Mui

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

2019

Group

	<u>Direct selling</u> \$ '000	<u>Export</u> \$ '000	<u>Franchise</u> \$ '000	<u>Manufac- turing/ Wholesale</u> \$ '000	<u>Others</u> \$ '000	<u>Un- allocated</u> \$ '000	<u>Total</u> \$ '000
External sales and services	148,213	431	273,185	2,420	-	-	424,249
Recurring EBITDA	40,104	182	95,165	(4,678)	(57)	-	130,716
Interest income	282	1	1,209	138	2	-	1,632
Interest expense	(366)	(1)	(162)	-	(72)	-	(601)
Depreciation	(3,859)	(2)	(1,901)	(106)	(60)	-	(5,928)
Amortisation	(13)	-	(2)	(513)	(231)	-	(759)
Share of results of an associate	-	-	-	-	(210)	-	(210)
Profit (Loss) before tax from continuing operations	36,148	180	94,309	(5,159)	(628)	-	124,850
Income tax expense							(36,097)
Profit from continuing operations							88,753
<u>Other segment items</u>							
Additions to property, plant and equipment	2,133	6	2,046	33	4,459	-	8,677
Additions to intangible assets	18	-	12	-	-	-	30
<u>Assets and liabilities</u>							
Total assets for reportable segments	96,357	357	263,147	10,500	9,197	-	379,558
Unallocated:							
Investment in an associate	-	-	-	-	-	5,415	5,415
Deferred tax assets	-	-	-	-	-	7,787	7,787
Other intangible assets	-	-	-	-	-	7,975	7,975
Investment property	-	-	-	-	-	1,127	1,127
Other financial assets	-	-	-	-	-	13,383	13,383
Other assets	-	-	-	-	-	28,439	28,439
Other unallocated amounts	-	-	-	-	-	6,470	6,470
Total group assets	96,357	357	263,147	10,500	9,197	70,596	450,154
Total liabilities for reportable segments	(46,537)	(141)	(126,013)	(4,515)	(3,929)	-	(181,135)
Unallocated:							
Other financial liabilities	-	-	-	-	-	(817)	(817)
Deferred tax liabilities	-	-	-	-	-	(138)	(138)
Income tax payable	-	-	-	-	-	(23,608)	(23,608)
Total group liabilities	(46,537)	(141)	(126,013)	(4,515)	(3,929)	(24,563)	(205,698)

Business Segments

2018

Group

	<u>Direct selling</u>	<u>Export</u>	<u>Franchise</u>	<u>Manufac- turing/ Wholesale</u>	<u>Others</u>	<u>Un- allocated</u>	<u>Total</u>
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
External Sales and Services	121,032	10,796	130,381	4,091	-	-	266,300
Recurring EBITDA	33,469	19,806	42,706	(1,126)	69	-	94,924
Interest Income	156	63	510	111	-	-	840
Interest Expense	(2)	(1)	(4)	-	(84)	-	(91)
Depreciation	(853)	(78)	(708)	(130)	(18)	-	(1,787)
Amortisation	(13)	-	(1)	(679)	(51)	-	(744)
Profit (Loss) before Tax from Continuing Operations	32,757	19,790	42,503	(1,824)	(84)	-	93,142
Income Tax Expense							(20,570)
Profit from Continuing Operations							72,572
<u>Other Segment items</u>							
Additions to Property, Plant and Equipment	308	77	582	38	1,575	-	2,580
Additions to Intangible Assets	11	-	-	-	-	-	11
<u>Assets and Liabilities</u>							
Total Assets for reportable segments	93,013	8,080	128,159	13,049	-	-	242,301
Unallocated:							
Deferred Tax Assets	-	-	-	-	-	441	441
Other Intangible Assets	-	-	-	-	-	8,206	8,206
Investment Property	-	-	-	-	-	1,146	1,146
Other Financial Assets	-	-	-	-	-	10,693	10,693
Other Assets	-	-	-	-	-	21,741	21,741
Other Unallocated Amounts	-	-	-	-	-	3,866	3,866
Total Group Assets	93,013	8,080	128,159	13,049	-	46,093	288,394
Total Liabilities for reportable segments	(27,857)	(2,351)	(64,484)	(1,322)	-	-	(96,014)
Unallocated:							
Other Financial Liabilities	-	-	-	-	-	(2,049)	(2,049)
Deferred Tax Liabilities	-	-	-	-	-	(1,734)	(1,734)
Income Tax Payable	-	-	-	-	-	(17,813)	(17,813)
Total Group Liabilities	(27,857)	(2,351)	(64,484)	(1,322)	-	(21,596)	(117,610)

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		
	2019 (\$'000)	2018 (\$'000)	% Increase/ (Decrease)
(a) Sales reported for the first half year	151,671	57,631	163.2
(b) Operating profit after tax before deducting minority interests reported for the first half year	36,996	14,766	150.5
(c) Sales reported for second half year	272,578	208,669	30.6
(d) Operating profit after tax before deducting minority interest reported for second half year	51,757	57,806	(10.5)

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	2019 (\$'000)	2018 (\$'000)
Interim paid	6,529	13,188
Final (proposed)	-	27,470
Total	6,529	40,658

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 2019

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	42	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>Senior Country Manager, China and HK</p> <ul style="list-style-type: none"> - Overall management of BWL China & HK's operations and market development - Position held since 1 March 2018 	NA
Tan Hui Keng, Phyllis	49	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

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

Doreen Tan Nee Moi
Co-Chairman, President

31 March 2020