



BEST WORLD INTERNATIONAL LTD

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

Unaudited Condensed Interim Financial Statements For The 9 Months Ended 30 September 2022

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

(Amounts expressed in Singapore dollars)

	Note	Group			Group		
		3 months Ended 30.09.22 \$'000	3 months Ended 30.09.21 \$'000	Change %	9 months Ended 30.09.22 \$'000	9 months Ended 30.09.21 \$'000	Change %
Revenue	4	100,312	117,487	(14.6)	346,380	395,926	(12.5)
Cost of sales		<u>(16,648)</u>	<u>(29,315)</u>	(43.2)	<u>(68,896)</u>	<u>(87,915)</u>	(21.6)
Gross profit		83,664	88,172	(5.1)	277,484	308,011	(9.9)
<u>Other items of income</u>							
Interest income		1,364	1,647	(17.2)	4,352	3,262	33.4
Other operating income	6	249	569	(56.2)	721	1,301	(44.6)
<u>Other Items of Expense</u>							
Distribution costs	8	(36,610)	(33,841)	8.2	(94,682)	(105,406)	(10.2)
Administrative expenses	8	(17,603)	(23,451)	(24.9)	(65,691)	(71,248)	(7.8)
Finance costs		(117)	(101)	15.8	(360)	(296)	21.6
(Other losses) Other gains, net	7	(1,775)	2,069	NM	(6,617)	5,998	NM
Share of results of a joint venture		211	163	29.4	480	646	(25.7)
Share of results of an associate		<u>(131)</u>	<u>(68)</u>	92.6	<u>(263)</u>	<u>(166)</u>	58.4
Profit before tax		29,252	35,159	(16.8)	115,424	142,102	(18.8)
Income tax expense	9	<u>(7,145)</u>	<u>(9,944)</u>	(28.1)	<u>(27,070)</u>	<u>(39,629)</u>	(31.7)
Profit for the period		<u>22,107</u>	<u>25,215</u>	(12.3)	<u>88,354</u>	<u>102,473</u>	(13.8)
Profit attributable to:							
- Owners of the parent company		22,058	25,101	(12.1)	88,562	102,370	(13.5)
- Non-controlling interests		49	114	(57.0)	(208)	103	NM
Profit for the period		<u>22,107</u>	<u>25,215</u>	(12.3)	<u>88,354</u>	<u>102,473</u>	(13.8)
<u>Additional notes:</u>							
Gross profit margin		83.4%	75.0%		80.1%	77.8%	
Net profit margin		22.0%	21.4%		25.6%	25.9%	
Earnings per share (cents)	22	5.00	4.61		18.29	18.81	

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

Statement of Comprehensive Income for the nine months ended 30 September 2022:

	Group			Group		
	3 months	3 months		9 months	9 months	
	Ended	Ended	Change	Ended	Ended	Change
	30.09.22	30.09.21	%	30.09.22	30.09.21	%
	\$'000	\$'000		\$'000	\$'000	
Profit for the period, net of tax	22,107	25,215	(12.3)	88,354	102,473	(13.8)
<u>Other comprehensive income</u>						
Exchange differences on translating foreign operations	<u>(3,991)</u>	<u>1,594</u>	NM	<u>(7,376)</u>	<u>5,783</u>	NM
Other comprehensive income for the period, net of tax	<u>(3,991)</u>	<u>1,594</u>	NM	<u>(7,376)</u>	<u>5,783</u>	NM
Total comprehensive income for the period	<u>18,116</u>	<u>26,809</u>	(32.4)	<u>80,978</u>	<u>108,256</u>	(25.2)
Attributable to:						
Owners of the parent company	18,184	26,798	(32.1)	80,825	108,179	(25.3)
Non-controlling interests	<u>(68)</u>	<u>11</u>	NM	<u>153</u>	<u>77</u>	98.7
Total comprehensive income for the period	<u>18,116</u>	<u>26,809</u>	(32.4)	<u>80,978</u>	<u>108,256</u>	(25.2)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

(Amounts expressed in Singapore dollars)

	Note	Group		Company	
		30.09.22 \$'000	31.12.21 \$'000	30.09.22 \$'000	31.12.21 \$'000
Assets					
Non-current assets					
Property, plant and equipment	10	72,323	63,714	1,611	2,347
Investment property	11	1,077	1,091	-	-
Intangible assets	12	1,081	1,149	54	51
Other intangible assets	13	7,690	7,871	-	-
Right-of-use assets		11,304	14,988	1,343	2,493
Investment in subsidiaries		-	-	118,330	104,803
Investment in a joint venture	14	38,078	38,335	-	-
Investment in an associate	15	4,727	4,990	-	-
Deferred tax assets		19,706	22,144	-	-
Other financial assets		3,946	5,931	-	269
Total non-current assets		<u>159,932</u>	<u>160,213</u>	<u>121,338</u>	<u>109,963</u>
Current assets					
Inventories	16	77,352	88,281	24,011	26,902
Trade and other receivables	17	20,027	6,308	66,848	19,724
Other assets		27,059	20,657	11,858	10,073
Other financial assets		14,466	14,469	14,466	14,469
Cash and cash equivalents	18	356,918	474,828	207,488	298,149
Total current assets		<u>495,822</u>	<u>604,543</u>	<u>324,671</u>	<u>369,317</u>
Total assets		<u>655,754</u>	<u>764,756</u>	<u>446,009</u>	<u>479,280</u>
Equity and liabilities					
Current liabilities					
Income tax payable		14,942	26,408	5,822	9,959
Trade and other payables	19	115,474	148,848	34,869	58,798
Contract liabilities		6,900	1,686	-	-
Lease liabilities		3,745	3,746	1,095	1,367
Other liabilities		37,459	36,862	1,082	1,082
Total current liabilities		<u>178,520</u>	<u>217,550</u>	<u>42,868</u>	<u>71,206</u>
Net current assets		<u>317,302</u>	<u>386,993</u>	<u>281,803</u>	<u>298,111</u>
Non-current liabilities					
Deferred tax liabilities		8,723	12,346	6,125	6,125
Other financial liabilities		15,658	18,796	-	-
Lease liabilities		6,723	10,316	222	1,021
Total non-current liabilities		<u>31,104</u>	<u>41,458</u>	<u>6,347</u>	<u>7,146</u>
Total liabilities		<u>209,624</u>	<u>259,008</u>	<u>49,215</u>	<u>78,352</u>
Net assets		<u>446,130</u>	<u>505,748</u>	<u>396,794</u>	<u>400,928</u>
Equity, attributable to owner of the company					
Share capital	20	10,027	10,027	10,027	10,027
Retained earnings		408,818	460,852	386,445	390,579
Other reserves		29,785	37,522	322	322
		<u>448,630</u>	<u>508,401</u>	<u>396,794</u>	<u>400,928</u>
Non-controlling interests		(2,500)	(2,653)	-	-
Total equity		<u>446,130</u>	<u>505,748</u>	<u>396,794</u>	<u>400,928</u>
Total equity and liabilities		<u>655,754</u>	<u>764,756</u>	<u>446,009</u>	<u>479,280</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

(Amounts expressed in Singapore dollars)

	Group		Group	
	3 Months Ended 30.09.22 \$'000	3 Months Ended 30.09.21 \$'000	9 Months Ended 30.09.22 \$'000	9 Months Ended 30.09.21 \$'000
Cash flows from operating activities:				
Profit before tax	29,252	35,159	115,424	142,102
Interest income	(1,364)	(1,647)	(4,352)	(3,262)
Interest expenses	117	101	360	296
Depreciation of property, plant and equipment	1,369	468	3,339	1,681
Depreciation of right-of-use assets	1,228	893	3,526	3,071
Depreciation of an investment property	5	5	14	14
Amortisation of intangible assets	80	84	244	217
Gain on disposal of property, plant and equipment	(14)	-	(426)	(21)
Loss on disposal of other financial assets	-	-	26	-
Reversal of expected credit loss on other receivables	-	5	-	2
Fair value change on foreign exchange derivatives	330	-	-	(800)
Fair value change on other financial assets	258	18	1,020	18
Fair value change in call option	-	-	1,172	(500)
Fair value change in put option	-	-	(932)	863
Inventories (written back) written down	(119)	(604)	664	(7)
Share of results of a joint venture	(211)	(163)	(480)	(646)
Share of results of an associate	131	68	263	166
Unrealised exchange losses	(3,302)	1,375	(4,327)	3,655
Operating cash flows before changes in working capital	<u>27,760</u>	<u>35,762</u>	<u>115,535</u>	<u>146,849</u>
Inventories	(779)	3,827	10,265	7,908
Trade and other receivables	(1,581)	323	(14,101)	(3,021)
Other assets	2,290	(6,929)	(6,402)	(17,405)
Trade and other payables and other liabilities	(15,531)	(9,098)	(32,332)	(13,910)
Contract liabilities	768	(7,939)	5,214	3,187
Cash flows from operations	<u>12,927</u>	<u>15,946</u>	<u>78,179</u>	<u>123,608</u>
Income tax paid	(14,412)	(14,279)	(41,808)	(46,947)
Net cash flows (used in) from operating activities	<u>(1,485)</u>	<u>1,667</u>	<u>36,371</u>	<u>76,661</u>
Cash flows from investing activities:				
Purchase of property, plant and equipment	(2,587)	(10,175)	(12,353)	(25,539)
Proceeds from disposal of property, plant and equipment	37	7	827	33
Purchase of intangible assets	(2)	-	(13)	(26)
Purchase of other financial assets	(120)	(10)	(139)	(1,361)
Proceeds from disposal of other financial assets	-	-	271	-
Dividend received from a joint venture	737	-	737	920
Interest received	1,364	1,647	4,352	3,262
Net cash flows used in investing activities	<u>(571)</u>	<u>(8,531)</u>	<u>(6,318)</u>	<u>(22,711)</u>
Cash flows from financing activities:				
Off-market equal access share buyback	-	-	(140,596)	-
Payment of lease liabilities	(1,352)	(636)	(3,795)	(2,837)
Decrease (increase) in cash restricted in use	165	(59)	(656)	(187)
Net cash flows used in financing activities	<u>(1,187)</u>	<u>(695)</u>	<u>(145,047)</u>	<u>(3,024)</u>
Net (decrease) increase in cash and cash equivalents	<u>(3,243)</u>	<u>(7,559)</u>	<u>(114,994)</u>	<u>50,926</u>
Effects of exchange rate changes on cash and cash equivalents	<u>720</u>	<u>654</u>	<u>(3,572)</u>	<u>1,530</u>
Cash and cash equivalents, statement of cash flows, beginning balance	<u>351,801</u>	<u>387,722</u>	<u>467,844</u>	<u>328,361</u>
Cash and cash equivalents, statement of cash flows, ending balance Note A	<u>349,278</u>	<u>380,817</u>	<u>349,278</u>	<u>380,817</u>
Note A :				
	Group	Group	Group	Group
	3 Months Ended 30.09.22 \$'000	3 Months Ended 30.09.21 \$'000	9 Months Ended 30.09.22 \$'000	9 Months Ended 30.09.21 \$'000
Cash and bank balances	356,918	386,675	356,918	386,675
Less: Cash pledged and cash restricted in use	(7,640)	(5,858)	(7,640)	(5,858)
Cash and cash equivalents in the consolidated cash flow statement	<u>349,278</u>	<u>380,817</u>	<u>349,278</u>	<u>380,817</u>

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

(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 2022	505,748	508,401	20,618	(10,591)	460,852	8,051	30,258	322	(1,109)	(2,653)
Movements in equity										
Total comprehensive income (expense) for the period	27,334	27,268	-	-	27,603	(335)	-	-	-	66
Off-market equal access share buyback ^(a)	(73,998)	(73,998)	-	-	(73,998)	-	-	-	-	-
Balance at 31 March 2022	459,084	461,671	20,618	(10,591)	414,457	7,716	30,258	322	(1,109)	(2,587)
Movements in equity										
Total comprehensive income for the period	35,528	35,373	-	-	38,901	(3,528)	-	-	-	155
Off-market equal access share buyback ^(b)	(66,598)	(66,598)	-	-	(66,598)	-	-	-	-	-
Balance at 30 June 2022	428,014	430,446	20,618	(10,591)	386,760	4,188	30,258	322	(1,109)	(2,432)
Movements in equity										
Total comprehensive income for the period	18,116	18,184	-	-	22,058	(3,874)	-	-	-	(68)
Balance at 30 September 2022	446,130	448,630	20,618	(10,591)	408,818	314	30,258	322	(1,109)	(2,500)
Balance at 1 January 2021	344,187	346,760	20,618	(10,591)	314,810	104	22,606	322	(1,109)	(2,573)
Movements in equity										
Total comprehensive income (expense) for the period	39,480	39,526	-	-	37,899	1,627	-	-	-	(46)
Balance at 31 March 2021	383,667	386,286	20,618	(10,591)	352,709	1,731	22,606	322	(1,109)	(2,619)
Movements in equity										
Total comprehensive income for the period	41,967	41,855	-	-	39,370	2,485	-	-	-	112
Balance at 30 June 2021	425,634	428,141	20,618	(10,591)	392,079	4,216	22,606	322	(1,109)	(2,507)
Movements in equity										
Total comprehensive income for the period	26,809	26,798	-	-	25,101	1,697	-	-	-	11
Transfer to statutory reserve	-	-	-	-	(2,811)	-	2,811	-	-	-
Balance at 30 September 2021	452,443	454,939	20,618	(10,591)	414,369	5,913	25,417	322	(1,109)	(2,496)

Note (a) On 8 March 2022, pursuant to a Off-Market Equal Access Offer, the Company purchased and cancelled 54,410,011 of its own shares from shareholders at the offer price of \$1.36 for each share.

Note (b) On 17 June 2022, pursuant to a Off-Market Equal Access Offer, the Company purchased and cancelled 48,969,010 of its own shares from shareholders at the offer price of \$1.36 for each share.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

(Amounts expressed in Singapore dollars)

Company	Attributable to owners of the parent company				Share-based compensation reserves
	Total equity	Share capital	Treasury shares	Retained earnings	
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2022	400,928	20,618	(10,591)	390,579	322
<u>Movements in equity</u>					
Total comprehensive income for the period	39,142	-	-	39,142	-
Off-market equal access share buyback ^(a)	(73,998)	-	-	(73,998)	-
Balance as at 31 March 2022	366,072	20,618	(10,591)	355,723	322
<u>Movements in equity</u>					
Total comprehensive income for the period	49,808	-	-	49,808	-
Off-market equal access share buyback ^(b)	(66,598)	-	-	(66,598)	-
Balance as at 30 June 2022	349,282	20,618	(10,591)	338,933	322
<u>Movements in equity</u>					
Total comprehensive income for the period	47,512	-	-	47,512	-
Balance as at 30 September 2022	<u>396,794</u>	<u>20,618</u>	<u>(10,591)</u>	<u>386,445</u>	<u>322</u>
Balance at 1 January 2021	330,964	20,618	(10,591)	320,615	322
<u>Movements in equity</u>					
Total comprehensive income for the period	14,390	-	-	14,390	-
Balance as at 31 March 2021	345,354	20,618	(10,591)	335,005	322
<u>Movements in equity</u>					
Total comprehensive income for the period	15,133	-	-	15,133	-
Balance as at 30 June 2021	360,487	20,618	(10,591)	350,138	322
<u>Movements in equity</u>					
Total comprehensive income for the period	6,309	-	-	6,309	-
Balance as at 30 September 2021	<u>366,796</u>	<u>20,618</u>	<u>(10,591)</u>	<u>356,447</u>	<u>322</u>

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

1. Corporate 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.

2. Basis of preparation

The interim consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance since the last audited annual financial statements for the year ended 31 December 2021.

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

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

2.1 Adoption of new standards

The accounting policies adopted are consistent with those of the used in the most recent audited financial statements except in the current financial year, the Group has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 January 2022.

There was no change in the accounting policies and methods of computation for the current financial period reported on, except the amendments to SFRS(I) 16 on COVID-19 related rent concessions where rental rebates were recognized directly in P&L as other income.

2.2 Use of judgements and estimates

The preparation of the Group's consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

2. Basis of preparation (Cont'd)

2.2 Use of judgements and estimates (Cont'd)

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 December 2021.

Information about estimates, assumptions and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

There were no significant changes in critical judgements, estimates and assumptions as compared to the audited consolidated financial statements as at and for the year ended 31 December 2021.

2.3 Updates on the efforts taken to resolve each outstanding audit issue

The auditors have issued a qualified opinion on the Group's financial statements for the financial year ended 31 December 2021 due to the following reasons and updates on the efforts to resolve each audit issue as follows:

(i) Relationship with the Group's import agents and marketing agent

Management considers this a historical issue after the transition period into the Franchisee model in 2019 and will not affect the FY2020, FY2021 and FY2022 accounts.

(ii) Classification of payments to promotional companies

Under our franchise business in China, the franchisees have entrusted BW Changsha and BWL China to oversee the payment of commissions to their sales representatives through the third party promotion companies since 1 July 2019. In consideration of the third party promotion companies making commission payments to the sales representatives of the franchisees in accordance with BW Changsha's and BWL China's payment structure, withholding and paying the personal income tax of the sales representatives and assisting with recruitment of sales representatives, the service fees payable to the third party promotion companies were recorded as marketing fees as part of distribution costs. These service fees were based on contractual agreements at a rate which is in line with the fees charged by other payment companies that have provided quotes to management in China. Management considers that the classification of the service fees as marketing fees will not impact the net profit and loss of the Group.

The Board confirms that the impact of the qualified opinion on the recent FY2021 financial statements has been adequately disclosed in the FY2021 annual report.

3. Seasonal operations

Historically, we record lower revenue in the first quarter of the year due to the long Chinese New Year holidays celebrated in our key markets. Also, distributors and franchisees generally more motivated in the fourth quarter of the year in order to achieve their sales target and hence take a longer than usual break in the following month and during the Chinese New Year holiday season.

4. Segment and revenue information

For management purposes, the Group's business is organised into three reportable operating segments as follows:

- (i) The Direct Selling segment mainly comprises sales generated directly from member customers through direct selling, both online and offline, for the markets of Singapore, Malaysia, Indonesia, Thailand, Taiwan, Hong Kong, Vietnam, Philippines, Korea, Australia, New Zealand, United States, Canada, Brunei and United Arab Emirates etc.;
- (ii) The Franchise segment comprises sales to independent third parties who are permitted to establish and operate BWL Lifestyle Centres in People's Republic of 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; and
- (iii) The Other segment comprises sales to customers at export retail price through retailers in the Myanmar and the Manufacturing/Wholesale segment comprises sales of health supplements manufactured by the Group's Hangzhou factory to wholesalers all over the People's Republic of China.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of the segments 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.

4 Segment and revenue information (Cont'd)

4.1 Reportable segments

Business Segments

For the nine months ended 30 September 2022

Group

	<u>Direct selling</u> \$ '000	<u>Franchise</u> \$ '000	<u>Others</u> \$ '000	<u>Un- allocated</u> \$ '000	<u>Total</u> \$ '000
External sales and services	166,572	179,341	467	-	346,380
Recurring EBITDA	46,092	76,130	(1,098)	(2,786)	118,338
Interest income	1,755	2,336	261	-	4,352
Interest expense	(119)	(33)	(167)	(41)	(360)
Depreciation	(2,948)	(1,127)	(1,134)	(1,670)	(6,879)
Amortisation	(12)	(3)	(47)	(182)	(244)
Share of results of a joint venture	-	-	-	480	480
Share of results of an associate	-	-	-	(263)	(263)
Profit (Loss) before tax from continuing operations	44,768	77,303	(2,185)	(4,462)	115,424
Income tax expense					(27,070)
Profit from continuing operations					88,354
<u>Other segment items</u>					
Additions to property, plant and equipment	1,434	151	24	10,744	12,353
Additions to intangible assets	8	5	-	-	13
<u>Assets and liabilities</u>					
Total assets for reportable segments	205,703	233,798	11,822	75,069	526,392
Unallocated:					
Investment in an associate	-	-	-	4,727	4,727
Investment in a joint venture	-	-	-	38,078	38,078
Deferred tax assets	-	-	-	19,706	19,706
Other intangible assets	-	-	-	7,690	7,690
Investment property	-	-	-	1,077	1,077
Other financial assets	-	-	-	18,412	18,412
Other assets	-	-	-	27,059	27,059
Other unallocated amounts	-	-	-	12,613	12,613
Total group assets	205,703	233,798	11,822	204,431	655,754
Total liabilities for reportable segments	(49,588)	(112,285)	(4,171)	(4,257)	(170,301)
Unallocated:					
Other financial liabilities	-	-	-	(15,658)	(15,658)
Deferred tax liabilities	-	-	-	(8,723)	(8,723)
Income tax payable	-	-	-	(14,942)	(14,942)
Total group liabilities	(49,588)	(112,285)	(4,171)	(43,580)	(209,624)

4 Segment and revenue information (Cont'd)

4.1 Reportable segments (Cont'd)

Business Segments

For the nine months ended 30 September 2021

Group

	<u>Direct selling</u> \$ '000	<u>Franchise</u> \$ '000	<u>Others</u> \$ '000	<u>Un- allocated</u> \$ '000	<u>Total</u> \$ '000
External sales and services	189,668	205,453	805	-	395,926
Recurring EBITDA	62,772	84,161	(1,554)	(1,741)	143,638
Interest income	929	2,261	72	-	3,262
Interest expense	(153)	(101)	-	(41)	(295)
Depreciation	(2,408)	(2,167)	(55)	(136)	(4,766)
Amortisation	(10)	(3)	(31)	(173)	(217)
Share of results of a joint venture	-	-	-	(166)	(166)
Share of results of an associate	-	-	-	646	646
Profit (Loss) before tax from continuing operations	61,130	84,151	(1,568)	(1,611)	142,102
Income tax expense					(39,629)
Profit from continuing operations					102,473
<u>Other segment items</u>					
Additions to property, plant and equipment	701	203	7	24,628	25,539
Additions to intangible assets	20	6	-	-	26
<u>Assets and liabilities</u>					
Total assets for reportable segments	238,367	241,800	10,228	54,693	545,088
Unallocated:					
Investment in an associate	-	-	-	5,009	5,009
Investment in a joint venture	-	-	-	48,684	48,684
Deferred tax assets	-	-	-	24,645	24,645
Other intangible assets	-	-	-	7,571	7,571
Investment property	-	-	-	1,095	1,095
Other financial assets	-	-	-	20,269	20,269
Other assets	-	-	-	32,690	32,690
Other unallocated amounts	-	-	-	10,631	10,631
Total group assets	238,367	241,800	10,228	205,287	695,682
Total liabilities for reportable segments	(69,659)	(94,585)	(299)	(6,564)	(171,107)
Unallocated:					
Other financial liabilities	-	-	-	(33,661)	(33,661)
Deferred tax liabilities	-	-	-	(13,605)	(13,605)
Income tax payable	-	-	-	(24,866)	(24,866)
Total group liabilities	(69,659)	(94,585)	(299)	(78,696)	(243,239)

4 Segment and revenue information (Cont'd)

4.2 Disaggregation of revenue

	Group	
	For the nine months ended	
	30 September	
	2022	2021
	\$'000	\$'000
Primary geographical markets		
Singapore	29,010	29,014
People's Republic of China	179,644	206,160
Taiwan	78,909	101,740
Malaysia	20,929	26,886
Others	37,888	32,126
	<hr/>	<hr/>
Total revenue	346,380	395,926
	<hr/>	<hr/>

	Group	
	For the nine months ended	
	30 September	
	2022	2021
	\$'000	\$'000
Major operating segments		
Direct selling	166,572	189,668
Franchise	179,341	205,453
Others	467	805
	<hr/>	<hr/>
Total revenue	346,380	395,926
	<hr/>	<hr/>

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

5. Financial assets and financial liabilities

The following table categories the carrying amounts of financial assets and liabilities recorded at the end of the reporting period:

	Group		Company	
	30-Sep-22 \$'000	31-Dec-21 \$'000	30-Sep-22 \$'000	31-Dec-21 \$'000
Financial assets:				
Non-Current:				
<u>Financial assets at fair value through profit or loss</u>				
Other financial assets	3,946	5,662	-	-
<u>Financial assets at amortised cost</u>				
Other financial assets	-	269	-	269
Total financial assets (non-current)	3,946	5,931	-	269
Current:				
<u>Financial assets at fair value through profit or loss</u>				
Other financial assets	14,179	14,199	14,179	14,199
<u>Financial assets at amortised cost</u>				
Cash and bank balances	356,918	474,828	207,488	298,149
Other financial assets	287	270	287	270
Trade and other receivables	11,132	6,308	66,166	19,082
Total financial assets at amortised cost (current)	368,337	481,406	273,941	317,501
Total financial assets (current)	382,516	495,605	288,120	331,700
Total financial assets	386,462	501,536	288,120	331,969
Financial liabilities:				
Non-Current:				
<u>Financial liabilities at fair value through profit or loss</u>				
Other financial liabilities	15,658	18,796	-	-
<u>Financial liabilities at amortised cost</u>				
Lease liabilities	6,723	10,316	222	1,021
Total financial liabilities (non-current)	22,381	29,112	222	1,021
Current:				
<u>Financial liabilities at amortised cost</u>				
Trade and other payables	115,474	148,848	34,869	58,798
Lease liabilities	3,745	3,746	1,095	1,367
Total financial liabilities (Current)	119,219	152,594	35,964	60,165
Total financial liabilities	141,600	181,706	36,186	61,186

5. Fair value of assets and liabilities (Cont'd)

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There were no transfers between the levels of fair value measurements during the financial period.

(b) Assets and liabilities measured at fair value

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 period:

	Group As at 30 Sept 2022 \$'000		Group As at 31 Dec 2021 \$'000	
	Fair value measurements at the reporting date using		Fair value measurements at the reporting date using	
	Quoted prices in active markets for identical instruments (Level 1)	Significant unobservable inputs (Level 3)	Quoted prices in active markets for identical instruments (Level 1)	Significant unobservable inputs (Level 3)
Recurring fair value measurements assets:				
Other financial assets				
- Financial instruments at FVPL	14,179	-	14,199	-
- Call option – Pedal Pulses Ltd.	-	3,946	-	5,662
Recurring fair value measurements liabilities:				
Other financial liabilities				
- Put option – Pedal Pulses Ltd.	-	(15,658)	-	(18,796)

Fair value of assets and liabilities (Cont'd)

(b) *Assets and liabilities measured at fair value (Cont'd)*

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):

	Group \$'000		
	Fair value measurements at the reporting date using significant unobservable inputs (Level 3)		
	Call option derivatives	Put option derivatives	Total
At 31 December 2021 and 1 January 2022	5,662	(18,796)	(13,134)
Net fair value change in profit or loss	(1,172)	932	(240)
Foreign exchange adjustment	(544)	2,206	1,662
30 September 2022	3,946	(15,658)	(11,712)

5. Fair value of assets and liabilities (cont'd)

(c) **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:

	Group As at 30 September 2022 \$'000			
	Quoted prices in active markets for identical assets (Level 1)	Significant unobservable inputs (Level 3)	Fair value Total	Carrying amount
Assets				
Investment property	–	3,100	3,100	1,077
Other financial assets - Financial instruments at amortised cost	287	–	287	287

	Group As at 31 December 2021 \$'000			
	Quoted prices in active markets for identical assets (Level 1)	Significant unobservable inputs (Level 3)	Fair value Total	Carrying amount
Assets				
Investment property	–	3,100	3,100	1,091
Other financial assets - Financial instruments at amortised cost	529	–	529	539

6. Other operating income

	Group	
	For the nine months ended	
	30 September	
	2022	2021
	\$'000	\$'000
Rental income	93	86
Government grants	102	857
Miscellaneous income	526	358
	<hr/>	<hr/>
	721	1,301
	<hr/>	<hr/>

7. (Other losses) Other gains, net

	Group	
	For the nine months ended	
	30 September	
	2022	2021
	\$'000	\$'000
Fair value loss on other financial assets	(1,020)	(18)
Fair value gains on foreign exchange derivatives	–	800
Fair value change in call option	(1,172)	500
Fair value change in put option	932	(863)
Inventories (written-down) written-back, net	(664)	7
Reversal of expected credit loss on other receivables	–	(2)
Foreign exchange (losses) gains, net	(5,093)	5,553
Gain on disposal of property, plant and equipment	426	21
Loss on disposal of other financial assets	(26)	–
	<hr/>	<hr/>
	(6,617)	5,998
	<hr/>	<hr/>

8. Profit before income tax

	Group	
	For the nine months ended	
	30 September	
	2022	2021
	\$'000	\$'000
<u>Included in distribution costs</u>		
Convention expenses	18,854	7,010
Commission expenses	66,125	65,075
Franchise sales related expenses	8,747	11,587
<u>Included in administrative expenses</u>		
Employee benefit expenses	37,474	55,847
Professional fees	771	1,862
Amortisation of intangible assets	63	44
Amortisation of other intangible asset	181	173
Depreciation of right-of-use assets	3,526	3,071
Depreciation of property, plant and equipment	3,339	1,681
Depreciation of investment property	14	14

9. Income tax expense

(a) Major components of income taxes recognised in profit or loss

	Group	
	For the nine months ended	
	30 September	
	2022	2021
	\$'000	\$'000
Consolidated statement of profit or loss:		
Current income tax:		
- Current income taxation	23,458	32,512
- Under provision in respect of previous years	(108)	(751)
- Withholding tax	1,487	5,306
	24,837	37,067
Deferred tax expenses:		
- Origination and reversal of temporary differences	2,233	2,562
Income tax expense recognised in profit or loss	27,070	39,629

10. Property, plant and equipment

During the nine months ended 30 September 2022, the Group acquired assets amounting to \$12,353,000 (30 September 2021: \$25,539,000) and disposed of assets amounting to \$2,310,000 (30 September 2021: \$12,000).

11. Investment property

	Group	
	As at 30 Sep 2022 \$'000	As at 31 Dec 2021 \$'000
At cost	1,400	1,400
Less: accumulated amortisation	(323)	(309)
Net book value	<u>1,077</u>	<u>1,091</u>

12. Intangible assets

	Group		Company	
	As at 30 Sep 2022 \$'000	As at 31 Dec 2021 \$'000	As at 30 Sep 2022 \$'000	As at 31 Dec 2021 \$'000
Goodwill	1,016	1,016	–	–
Licenses	8,652	8,871	–	–
Trademarks	935	927	679	671
Customer relationship	740	740	–	–
	<u>11,343</u>	<u>11,554</u>	<u>679</u>	<u>671</u>
Less: accumulated amortisation	(10,262)	(10,405)	(625)	(620)
Net book value	<u>1,081</u>	<u>1,149</u>	<u>54</u>	<u>51</u>

13. Other intangible assets

	Group	
	As at 30 Sep 2022 \$'000	As at 31 Sep 2021 \$'000
At cost	9,095	9,095
Less: accumulated amortisation	(1,405)	(1,224)
Net book value	<u>7,690</u>	<u>7,871</u>

14. Investment in a joint venture

	Group	
	As at 30 Sep	As at 31 Dec
	2022	2021
	\$'000	\$'000
Beginning of financial year	38,335	48,958
Dividend received	(737)	(920)
Share of post-acquisition results	480	646
Less: Impairment loss charged to profit and loss	–	(10,349)
End of financial period/ year	38,078	38,335

15. Investment in an associate

	Group	
	As at 30 Sep	As at 31 Dec
	2022	2021
	\$'000	\$'000
Beginning of financial year	4,990	5,173
Share of post-acquisition results	(263)	(183)
End of financial period/ year	4,727	4,990

16. Inventories

	Group		Company	
	As at 30 Sep 2022	As at 31 Dec 2021	As at 30 Sep 2022	As at 31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
<i>Statement of financial position:</i>				
Finished goods (at lower of cost and net realisable value)	77,052	88,003	24,011	26,902
Raw materials	121	124	–	–
Work-in-progress	47	–	–	–
Packaging materials	132	154	–	–
Total inventories	77,352	88,281	24,011	26,902

17. Trade and other receivables

	Group		Company	
	As at 30 Sep 2022	As at 31 Dec 2021	As at 30 Sep 2022	As at 31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Trade receivables				
Third parties	9,798	2,163	685	651
Amounts due from subsidiaries	–	–	71,072	28,776
Less: Allowance for expected credit losses	(1,692)	(1,556)	(16,872)	(16,872)
	8,106	607	54,885	12,555
Other receivables				
Third parties	9,530	3,932	2,597	1,233
Refundable rental deposits	2,644	2,033	2,180	1,271
Amounts due from subsidiaries	–	–	16,868	14,347
Less: Allowance for expected credit losses	(253)	(264)	(9,682)	(9,682)
	11,921	5,701	11,963	7,169
Total trade and other receivables	20,027	6,308	66,848	19,724
Less: GST and VAT receivables	(8,895)	–	(682)	(642)
Total trade and other receivables at amortised cost	11,132	6,308	66,166	19,082

18. Cash and bank equivalents

A reconciliation of cash and bank balances to cash and cash equivalents in the consolidated statement of cash flows is as follows:

	Group		Company	
	As at 30 Sep 2022	As at 31 Dec 2021	As at 30 Sep 2022	As at 31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Cash at banks	356,918	474,828	207,488	298,149
Cash pledged for bank facilities	(3,004)	(1,551)	(3,000)	(1,500)
Cash pledged for security deposits	(4,636)	(5,433)	–	–
Cash and cash equivalents for consolidated statement of cash flows purposes at end of the financial period/ year	349,278	467,844	204,488	296,649

19. Trade and other payables

	Group		Company	
	As at 30 Sep 2022 \$'000	As at 31 Dec 2021 \$'000	As at 30 Sep 2022 \$'000	As at 31 Dec 2021 \$'000
Trade payables				
- Third parties	3,359	9,072	3,216	7,155
Accrued operating expenses	33,319	54,476	26,479	41,030
	<u>36,678</u>	<u>63,548</u>	<u>29,695</u>	<u>48,185</u>
Other payables				
- Third parties	78,796	85,300	5,174	10,613
	<u>78,796</u>	<u>85,300</u>	<u>5,174</u>	<u>10,613</u>
Total trade and other payables	115,474	148,848	34,869	58,798
Less: GST and VAT payables	–	(1,723)	–	–
Total trade and other payables at amortised cost	<u>115,474</u>	<u>147,125</u>	<u>34,869</u>	<u>58,798</u>

20. Share capital

(a) Share Capital

	Group and Company		Group and Company	
	Issued ordinary shares (excluding treasury shares)		Issued and fully paid up capital (excluding treasury shares)	
	No. of shares		\$'000	
	2022	2021	2022	2021
At 1 January	544,100,114	544,100,114	10,027	10,027
Share purchased and cancelled	<u>(54,410,011)</u>	–	–	–
At 31 March	489,690,103	544,100,114	10,027	10,027
Share purchased and cancelled	<u>(48,969,010)</u>	–	–	–
At 30 June and 30 September	<u>440,721,093</u>	<u>544,100,114</u>	<u>10,027</u>	<u>10,027</u>

20. Share capital (Cont'd)

(b) Treasury Shares

	<u>Group and Company</u>		<u>Group and Company</u>	
	<u>No. of shares</u>		<u>\$'000</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
At 1 January, 31 March, 30 June and 30 September	<u>10,291,900</u>	<u>10,291,900</u>	<u>10,591</u>	<u>10,591</u>

For the three months ended 30 September 2022 and 30 September 2021, the company did not purchase its ordinary shares to be held as treasury shares.

The total number of issued ordinary shares excluding treasury shares as at 30 September 2022 was 440,721,093 (31 December 2021 was 544,100,114).

There were no outstanding convertibles as at 30 September 2022 and 30 September 2021.

The total number of treasury shares as at 30 September 2022 and 30 September 2021 was 10,291,900.

21. Dividend

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 explained further in Section 4 of Other Information, no dividends have been declared/recommended by the Board for the financial period ended 30 September 2022.

22. Earnings per share

	GROUP					
	3 months ended 30.09.22	3 months ended 30.09.21	Change %	9 months ended 30.09.22	9 months ended 30.09.21	Change %
	Earnings per share of Group:					
(a) Based on weighted average number of ordinary shares on issue (cts); and	5.00	4.61	8.5	18.29	18.81	(2.8)
(b) On a fully diluted basis (cts)	5.00	4.61	8.5	18.29	18.81	(2.8)

For comparative purposes, the earnings per ordinary shares for the three months ended 30 September 2022 and 30 September 2021 are calculated based on the profit for the period of approximately \$22.1 million and \$25.1 million respectively. The earnings per ordinary shares for the 9 months ended 30 September 2022 and 30 September 2021 are calculated based on the profit for the period of approximately \$88.6 million and \$102.4 million respectively.

The weighted average number of ordinary shares (excluding treasury shares) for the three months ended 30 September 2022 and 30 September 2021 were 440,721,093 and 544,100,114 respectively. The weighted average number of ordinary shares (excluding treasury shares) for the nine months ended 30 September 2022 and 30 September 2021 were 484,209,242 and 544,100,114 respectively.

23. Net asset value per share

	GROUP		COMPANY	
	30.09.22	31.12.21	30.09.22	31.12.21
Net asset value per ordinary shares (cents)	101.79	93.44	90.03	73.69

Note: The number of ordinary shares of the Group and Company (excluding treasury shares) as at 30 September 2022 was 440,721,093 (31 December 2021: 544,100,114).

24. Borrowings and debt securities

The Group did not have bank borrowings and debt securities as at 30 September 2022 and 31 December 2021.

25. Related party transactions

The following were significant transactions between the Group and its related parties on rates and terms agreed between the parties during the financial period:

	Group	
	For the nine months ended	
	30 September	
	2022	2021
	\$'000	\$'000
With persons related to directors of the Company		
Sale of goods	85	49
Commission expenses	413	326
Marketing fee	132	194
Consultancy fee expenses	104	59
<hr/>		
With companies related to directors of the Company		
Consultancy fee expenses	22	–
<hr/> <hr/>		

26. Subsequent event

There is no known subsequent event which has led to adjustment on this set of interim financial statement.

OTHER INFORMATION

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.

1. Review

The statements of financial position as at 30 September 2022 and the related consolidated statement of profit or loss, consolidated statement of comprehensive income, statements of changes in equity and consolidated statement of cash flows for the nine months ended 30 September 2022 and the selected explanatory notes (the "Condensed Consolidated Interim Financial Statements") have not been audited or reviewed by the Company's auditors.

2. Review of the performance of the Group

Consolidated Statement of Comprehensive Income

Profitable attributable to owners of the parent company decreased to \$22.1 million in 3Q2022 from \$25.1 million in 3Q2021, mainly due to the following factors:

The Group's **revenue** declined by 14.6% or \$17.2 million to \$100.3 million in 3Q2022 when compared to the same period last year mainly attributable to the decline in performance of our major market of China due to ongoing pandemic restrictions which resulted in the postponement and cancellation of many marketing events and activities, offsetting improved revenue contributions from Taiwan, and other markets of Canada, Brunei and Hong Kong;

Cost of sales declined to \$16.6 million in 3Q2022 from \$29.3 million in 3Q2021 mainly due to lower freight charges incurred in 3Q2022. As a result, the Group's gross profit margin increased to 83.4% in 3Q2022 when compared to the same period last year;

Interest income decreased to \$1.4 million in 3Q2022 from \$1.6 million in 3Q2021, mainly due to lower dual currency deposits placed with banks in 3Q2022 when compared to the same period last year;

Distribution costs increased from \$33.8 million in 3Q2021 to \$36.6 million in 3Q2022 mainly due to higher marketing and training events that took place in the months of July and August where Covid-19 restrictions were temporarily eased. For the nine months ended 30 September 2022, distribution costs decreased by \$10.7 million mainly due to lower sales related expenses for the Franchise segment as well as freelance commissions from the Direct Selling segment, offset by higher marketing and training events expenses;

Administrative expenses decreased from \$23.5 million in 3Q2021 to \$17.6 million in 3Q2022 mainly attributable to lower management and staff costs;

Finance costs relating to lease expenses increased marginally to \$117,000 in 3Q2022 vis-à-vis 3Q2021;

Net other losses of \$1.8 million in 3Q2022 were mainly attributable to net foreign exchange losses from the revaluation of the Group's cash and cash equivalents and head office's receivables denominated in Chinese Yuan and Net Other Losses of \$6.6 million for the nine months ended 30 September 2022 in relation to the same reasons above as well as fair value losses on financial assets;

Share of results of our joint venture in the Group's United Kingdom ("UK") joint venture Pedal Pulses Limited was \$211,000 in 3Q2022 mainly due to share of profits for the period, offsetting amortisation expenses of intangible assets identified during the purchase price allocation ("PPA") exercise;

Share of losses for our associated company increased by \$63,000 in 3Q2022 vis-à-vis 3Q2021 to \$131,000 mainly due to higher net losses incurred by Celligenics; and

The Group recorded lower **income tax expense** of \$7.1 million in 3Q2022 when compared to \$9.9 million in 3Q2021. The effective tax rate for nine months ended 30 September 2022 was lower at 23.5% when compared to 27.9% in the same period last year mainly due to lower withholding tax from our Taiwan operations as a result of the hiving off of our direct selling activities to our wholly owned subsidiary, Best World Taiwan Holdings Pte. Ltd. (Taiwan Branch), as disclosed in our Annual Report 2021.

Consolidated Statement of Financial Position

Total assets (Group) decreased by \$109.0 million from \$764.8 million as at 31 December 2021 to \$655.8 million as at 30 September 2022 mainly due to:

- Decrease in inventories by \$10.9 million mainly due to sufficient inventory buffer as at 30 September 2022;
- Decrease in right-of-use of assets of \$3.7million mainly due to depreciation; and
- Decrease in cash and cash equivalents of \$117.9 million due to reasons stated in the consolidated statement of cash flows section below.

This was partially offset by the increase in property, plant and equipment of \$8.6 million from \$63.7 million to \$72.3 million as at 30 September 2022, in relation to our Tuas manufacturing facility, increase in trade and other receivables of \$13.7 million as a result of net GST/VAT receivables for the period and higher trade receivables from certain subsidiaries relating to transactions pending clearance from payment service providers, as well as increase in other assets of \$6.4 million due to advance payment made to suppliers from the Franchise segment and in relation to the relocation of the Group's HQ.

Total liabilities (Group) decreased by \$49.4 million from \$259.0 million as at 31 December 2021 to \$210.0 million as at 30 September 2022 mainly due to:

- Decrease in trade and other payables of \$33.4 million due to payments made to suppliers, lower sales-related expenses from Franchise segment, lower freelance commissions from the Direct Selling segment as well as lower management and staff incentives accrued during the period;
- Decrease in other financial liabilities of \$3.1 million due to fair value changes to the put options in relation to the acquisition of Pedal Pulses Limited; and
- Decrease in income tax payable of \$11.5 million due to tax payments made during the period.

The above decline was offset by the increase in contract liabilities by \$5.2 million due to higher deposits received from customers.

Consolidated Statement of Cash Flows

In 3Q2022, **net cash flows used in operating activities** of \$1.5 million was mainly attributable to cash outflow from working capital changes due to lower trade and other payables as a result of management and staff paid during the period, higher trade and other receivables due to higher refundable deposits from certain subsidiaries, as well as income tax paid during the period.

Net cash flow used in investing activities of \$0.6 million in 3Q2022 was mainly due to increase in property, plant and equipment in relation to our Tuas manufacturing facility, offsetting interest received during the period.

Net cash flow used in financing activities of \$1.2 million in 3Q2022 was mainly due to lease liabilities paid in 3Q 2022.

As at 30 September 2022, the Group maintained approximately \$356.9 million in cash and cash equivalents.

3. 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 4 of Other Information of the last quarter's results announcement.

4 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.

As the world transitions towards a post-pandemic era, prospects of recovery for the Group's key market of China remains very challenging as its economy slows down and its authorities recently announcing their "unswerving" adherence to current Covid control measures in the face of increasing outbreaks.

The Group's other key markets also face strong headwinds for the remaining period of FY2022 in view of the weakening global demand as a result of tense US-China relations, the Russia Ukraine war and escalating costs.

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

- Any changes in current incentives the Group's China subsidiary is enjoying, and any changes in China's policies and/or regulations, may have wide-ranging implications and cast long lasting impact for the Group's business performance, given China's contribution to the Group;
- While global supply chain caused by port congestion, reduced flights and container shortage etc, may have eased somewhat, shipment delays still happen, resulting in revenue loss due to inventory shortages;
- Professional fees may be incurred for services which include but are not limited to, identification and assessment of M&A opportunities, corporate actions, registrations and enforcement of the Group's intellectual properties in various markets, and professional updates of various regulations the Group is subject to in the jurisdictions it operates in, etc.;

- Higher administrative expenses in the form of management and staff costs are still expected for the Group in the periods ahead. Higher expenses and depreciation in relation to the relocation/refurbishment of the Group's HQ and certain Regional Centres are also expected; and
- Fluctuating currency exchange rates of key markets which the Group operates in against the Singapore Dollar, may affect the Group's performance either positively or negatively. Management actively undertakes measures to mitigate such potential risks.

Other ongoing factors that may affect the Group's performance include timeline for product license registration and renewal in key markets, natural disasters, unanticipated regulatory changes in key markets we operate in and disruptions from competitors and disgruntled customers.

5. 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 nine months ended 30 September 2022	
	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
Pek Lu Pin ⁽¹⁾		
- Sales	17	NA
- Freelance commission paid	189	NA
- Marketing fee paid	126	NA
Pek Jia Rong ⁽¹⁾		
- Sales	43	NA
- Freelance commission paid	155	NA
Tan Geok Fong Felicia ⁽²⁾		
- Sales	22	NA
- Freelance commission paid	35	NA
- Marketing fee paid	79	NA
Huan Beng Choon ⁽³⁾		
- Sales	23	NA
- Freelance commission paid	134	NA
Seng Beng Huat ⁽⁴⁾		
- Consultancy fee paid	104	NA

Note (1): Daughter of Doreen Tan Nee Moi

Note (2): Sister of Doreen Tan Nee Moi

Note (3): Brother of Dora Hoan Beng Mui

Note (4): Live-in partner of Dora Hoan Beng Mui

6. Board Negative Assurance Confirmation for Interim Financial Results

We, Dora Hoan Beng Mui and Doreen Tan Nee Moi, being two directors of Best World International Limited (the "Company"), do hereby confirm, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the nine months ended 30 September 2022 to be false or misleading.

7. 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.

On behalf of the Board of Directors

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

Doreen Tan Nee Moi
Co-Chairman, President

11 November 2022