



BEST WORLD INTERNATIONAL LTD

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

Financial Statements And Related Announcement For the 6 months ended 30 June 2014

BEST WORLD INTERNATIONAL LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2014

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CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2014

(Amounts expressed in Singapore dollars)

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

	3 months Ended 30.06.14 \$'000	3 months Ended 30.06.13 \$'000	Change %	6 months Ended 30.06.14 \$'000	6 months Ended 30.06.13 \$'000	Change %
Revenue	18,277	8,819	107.2	31,079	17,851	74.1
Cost of Sales	(5,512)	(1,889)	191.8	(8,842)	(3,836)	130.5
Gross Profit	12,765	6,930	84.2	22,237	14,015	58.7
<u>Other Items of Income</u>						
Interest Income	41	60	(31.7)	79	92	(14.1)
Other Operating Income	509	193	163.7	682	412	65.5
<u>Other Items of Expense</u>						
Distribution Costs	(6,868)	(3,204)	114.4	(11,464)	(6,588)	74.0
Administrative Expenses	(5,155)	(4,392)	17.4	(9,951)	(9,035)	10.1
Finance Costs	(12)	-	NM	(30)	-	NM
Other (Charges) Credits, Net	(151)	(128)	18.0	95	1,781	(94.7)
Profit (Loss) Before Tax from Continuing Operations	1,129	(541)	NM	1,648	677	143.4
Income Tax (Expenses) Credit	(428)	27	NM	(688)	(200)	244.0
Profit (Loss) from Continuing Operations, Net of Tax	701	(514)	NM	960	477	101.3
Profit (Loss) Net of Tax Attributable to:						
- Owners of the Parent Company	758	(378)	NM	879	584	50.5
- Non-Controlling Interests	(57)	(136)	(58.1)	81	(107)	NM
	701	(514)	NM	960	477	101.3
Additional notes:						
Gross Profit Margin	69.8%	78.6%		71.5%	78.5%	
Net Profit (Loss) Margin	4.1%	(4.3%)		2.8%	3.3%	
Earnings (Loss) Per Share (cents)	0.34	(0.18)		0.41	0.29	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2014

Statement of Comprehensive Income for the six months ended 30 June 2014:

	Group			Group		
	3 months	3 months	Change	6 months	6 months	Change
	Ended	Ended		Ended	Ended	
30.06.14	30.06.13	%	30.06.14	30.06.13	%	
	\$'000	\$'000		\$'000	\$'000	
Profit (Loss) for the Period, Net of Tax	701	(514)	NM	960	477	101.3
<u>Other Comprehensive Income (Expenses)</u>						
Exchange Differences on Translating Foreign Operations	218	661	(67.0)	(319)	923	NM
Other Comprehensive Income (Expenses) for the period, Net of Tax	218	661	(67.0)	(319)	923	NM
Total Comprehensive Income for the Period	<u>919</u>	<u>147</u>	525.2	<u>641</u>	<u>1,400</u>	(54.2)
Attributable to:						
Owners of the Parent Company	926	304	204.6	551	1,502	(63.3)
Non-Controlling Interests	(7)	(157)	(95.5)	90	(102)	NM
Total Comprehensive Income for the Period	<u>919</u>	<u>147</u>	525.2	<u>641</u>	<u>1,400</u>	(54.2)

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

	Group	
	6 months Ended	
	30.06.14	30.06.13
	\$'000	\$'000
Depreciation of Property, Plant and Equipment	757	683
Depreciation of an Investment Property	9	10
Amortisation of Intangible Assets	164	78
Inventories Written Off	527	-
Bad Debts Written Off	-	6
Unrealized Foreign Exchange Loss, Net	24	130
Realized Foreign Exchange Loss (Gain), Net	101	(93)
(Gain) Loss on Disposal of Property, Plant and Equipment	(220)	2
Gain on Disposal of Assets Held for Sales	-	(1,826)
Interest Income	(79)	(92)
Interest Expenses	30	-

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014

(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	
	30.06.14	31.12.13	30.06.14	31.12.13
	\$'000	\$'000	\$'000	\$'000
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	7,956	6,392	4,437	3,875
Investment Property	1,228	1,237	-	-
Intangible Assets	5,431	1,092	128	165
Investment in Subsidiaries	-	-	14,738	14,561
Deferred Tax Assets	291	261	-	-
Other Receivables	-	-	1,736	1,736
Other Financial Assets	-	259	-	259
Total Non-Current Assets	<u>14,906</u>	<u>9,241</u>	<u>21,039</u>	<u>20,596</u>
CURRENT ASSETS				
Inventories	6,613	5,905	4,313	4,011
Trade and Other Receivables	10,783	5,339	21,792	11,651
Other Financial Assets	259	1,015	259	1,015
Other Assets	8,051	7,111	3,227	2,224
Cash and Cash Equivalents	<u>27,476</u>	<u>33,283</u>	<u>4,001</u>	<u>11,653</u>
Total Current Assets	<u>53,182</u>	<u>52,653</u>	<u>33,592</u>	<u>30,554</u>
TOTAL ASSETS	<u>68,088</u>	<u>61,894</u>	<u>54,631</u>	<u>51,150</u>
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	20,169	17,192	20,169	17,192
Retained Earnings	31,531	31,188	27,324	26,875
Other Reserve	<u>650</u>	<u>976</u>	<u>-</u>	<u>-</u>
Equity, Attributable to Owners of the Parent Company	<u>52,350</u>	<u>49,356</u>	<u>47,493</u>	<u>44,067</u>
Non-Controlling Interests	<u>(537)</u>	<u>(323)</u>	<u>-</u>	<u>-</u>
Total Equity	<u>51,813</u>	<u>49,033</u>	<u>47,493</u>	<u>44,067</u>
NON-CURRENT LIABILITIES				
Deferred Tax Liabilities	<u>249</u>	<u>248</u>	<u>152</u>	<u>152</u>
Total Non-Current Liabilities	<u>249</u>	<u>248</u>	<u>152</u>	<u>152</u>
CURRENT LIABILITIES				
Income Tax Payable	839	730	371	181
Trade and Other Payables	12,296	7,422	3,803	2,368
Other Financial Liabilities	1,930	3,500	1,930	3,500
Other Liabilities	<u>961</u>	<u>961</u>	<u>882</u>	<u>882</u>
Total Current Liabilities	<u>16,026</u>	<u>12,613</u>	<u>6,986</u>	<u>6,931</u>
Total Liabilities	<u>16,275</u>	<u>12,861</u>	<u>7,138</u>	<u>7,083</u>
TOTAL EQUITY AND LIABILITIES	<u>68,088</u>	<u>61,894</u>	<u>54,631</u>	<u>51,150</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 30.06.14		As at 31.12.13	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
1,930	-	3,500	-

Amount Repayable after One Year

As at 30.06.14		As at 31.12.13	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
-	-	-	-

Details of any collateral

Certain leasehold properties of a subsidiary at carrying value of \$520,000 as at 30 June 2014 (31 December 2013: \$519,000) and an investment property of a subsidiary at carrying value of \$1,228,000 as at 30 June 2014 (31 December 2013: \$1,237,000) are mortgaged to bank to secure bank facilities granted by the banks.

Plant and equipment with carrying value of \$0.9 million as at 30 June 2014 (31 December 2013: Nil) were acquired under finance lease arrangements. The obligations under finance leases are secured by the lessor's charge over the leased assets.

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2014

(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 30.06.14	3 Months Ended 30.06.13	6 Months Ended 30.06.14	6 Months Ended 30.06.13
	\$'000	\$'000	\$'000	\$'000
Cash flows from Operating Activities:				
Profit (Loss) before Tax	1,129	(541)	1,648	677
Interest Income	(41)	(60)	(79)	(92)
Interest Expense	12	-	30	-
Depreciation of Property, Plant and Equipment	423	346	757	683
Depreciation of an Investment Property	4	5	9	10
Amortisation of Intangible Assets	105	38	164	78
Gain on Disposal of Property, Plant and Equipment	(220)	-	(220)	2
Gain on Disposal of Assets Held for Sales	-	-	-	(1,826)
Net Effect of Exchange Rate Changes in Consolidating Foreign Subsidiaries	271	649	(303)	880
Operating Cash Flows before Changes in Working Capital	1,683	437	2,006	412
Inventories	(106)	(161)	428	413
Trade and Other Receivables	(2,566)	(651)	(3,308)	(234)
Other Assets	22	(44)	(519)	(87)
Trade and Other Payables	2,917	(141)	2,524	(1,018)
Other Liabilities	-	-	-	(109)
Net Cash Flows from (used in) Operations before Interest and Tax	1,950	(560)	1,131	(623)
Income Tax Paid	(482)	(267)	(482)	(439)
Net Cash Flows from (used in) Operating Activities	1,468	(827)	649	(1,062)
Cash flows from Investing Activities:				
Purchase of Property, Plant and Equipment	(606)	(72)	(703)	(543)
Disposal of Property, Plant and Equipment	220	6	220	6
Disposal of Assets Held for Sales	-	(1)	-	2,914
Acquisition of a Subsidiary (Net of Cash Acquired)	(75)	-	(7,176)	-
Decrease in Other Financial Assets	-	-	1,015	-
Interest Received	41	60	79	92
Net Cash Flows (used in) from Investing Activities	(420)	(7)	(6,565)	2,469
Cash flows from Financing Activities:				
Dividends paid	(661)	(1,228)	(661)	(1,228)
Issue of Shares	-	-	3,085	-
Share Issue Expenses	-	-	(108)	-
Acquisition of a Non-Controlling Interest	(177)	-	(177)	-
Decrease in Other Financial Liabilities	(2,000)	-	(2,000)	-
Interest paid	(12)	-	(30)	-
Increase in Cash Restricted in Use	(2)	-	(2)	-
Net Cash Flows (used in) from Financing Activities	(2,852)	(1,228)	107	(1,228)
Net (Decrease) Increase in Cash and Cash Equivalents	(1,804)	(2,062)	(5,809)	179
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	27,519	28,733	31,524	26,492
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	25,715	26,671	25,715	26,671

Note A:

	Group		Group	
	3 Months Ended 30.06.14	3 Months Ended 30.06.13	6 Months Ended 30.06.14	6 Months Ended 30.06.13
	\$ '000	\$ '000	\$ '000	\$ '000
Cash and bank balances	27,476	28,419	27,476	28,419
Less: Cash pledged	(1,761)	(1,748)	(1,761)	(1,748)
Cash and Cash Equivalents in the Consolidated Cash Flow Statement	25,715	26,671	25,715	26,671

STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2014

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

	Attributable to Owners of the Parent Company						Non-Controlling Interests
	Total Equity	Total	Share Capital	Treasury Shares	Retained Earnings	Foreign Currency	
						Translation Reserve	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Group							
Balance at 1 January 2014	49,033	49,356	17,641	(449)	31,188	976	(323)
<u>Movements in Equity</u>							
Issue of Shares	3,085	3,085	3,085	-	-	-	-
Share Issue Expenses	(108)	(108)	(108)	-	-	-	-
Total Comprehensive Income (Expenses) for the Period	(278)	(375)	-	-	121	(496)	97
Balance at 31 March 2014	51,732	51,958	20,618	(449)	31,309	480	(226)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expenses) for the Period	919	926	-	-	758	168	(7)
Acquisition of a Non-Controlling Interest Without a Change in Control	(177)	127	-	-	125	2	(304)
Dividends	(661)	(661)	-	-	(661)	-	-
Balance at 30 June 2014	<u>51,813</u>	<u>52,350</u>	<u>20,618</u>	<u>(449)</u>	<u>31,531</u>	<u>650</u>	<u>(537)</u>
Balance at 1 January 2013	47,559	47,620	17,641	(449)	30,987	(559)	(61)
<u>Movements in Equity</u>							
Total Comprehensive Income for the Period	1,253	1,198	-	-	962	236	55
Balance at 31 March 2013	48,812	48,818	17,641	(449)	31,949	(323)	(6)
<u>Movements in Equity</u>							
Total Comprehensive Income (Expenses) for the Period	147	304	-	-	(378)	682	(157)
Exercise of Bonus Warrants	*	*	*	-	-	-	-
Dividends	(1,228)	(1,228)	-	-	(1,228)	-	-
Balance at 30 June 2013	<u>47,731</u>	<u>47,894</u>	<u>17,641</u>	<u>(449)</u>	<u>30,343</u>	<u>359</u>	<u>(163)</u>

STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2014

Company	<u>Attributable to Owners of the Parent Company</u>			
	<u>Total Equity</u>	<u>Share Capital</u>	<u>Treasury Shares</u>	<u>Retained Earnings</u>
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2014	44,067	17,641	(449)	26,875
<u>Movements in Equity</u>				
Issue of Shares	3,085	3,085	-	-
Share Issue Expenses	(108)	(108)	-	-
Total Comprehensive Income for the Period	579	-	-	579
Balance as at 31 March 2014	<u>47,623</u>	<u>20,618</u>	<u>(449)</u>	<u>27,454</u>
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	531	-	-	531
Dividends	(661)	-	-	(661)
Balance as at 30 June 2014	<u><u>47,493</u></u>	<u><u>20,618</u></u>	<u><u>(449)</u></u>	<u><u>27,324</u></u>
Balance at 1 January 2013	48,488	17,641	(449)	31,296
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	884	-	-	884
Balance as at 31 March 2013	<u>49,372</u>	<u>17,641</u>	<u>(449)</u>	<u>32,180</u>
<u>Movements in Equity</u>				
Total Comprehensive Income for the Period	399	-	-	399
Exercise of Bonus Warrants	*	*	-	-
Dividends	(1,228)	-	-	(1,228)
Balance as at 30 June 2013	<u><u>48,543</u></u>	<u><u>17,641</u></u>	<u><u>(449)</u></u>	<u><u>31,351</u></u>

* Denotes amount less than \$1,000

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

(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

	<u>Group and Company</u>		<u>Group and Company</u>	
	<u>Issued ordinary shares</u>		<u>Issued and fully paid up capital</u>	
	<u>No. of shares</u>		<u>\$'000</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
At 1 January	204,683,147	204,680,997	17,192	17,192
Issued Shares	15,500,717	-	3,085	-
Share Issue Expenses	-	-	(108)	-
At 31 March	220,183,864	204,680,997	20,169	17,192
Exercise of Bonus Warrants	-	1,650	*	*
At 30 June	<u>220,183,864</u>	<u>204,682,647</u>	<u>20,169</u>	<u>17,192</u>

* Denotes amount less than \$1,000

(b) Treasury Shares

	<u>Group and Company</u>		<u>Group and Company</u>	
	<u>No. of shares</u>		<u>\$'000</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
At 1 January, 31 March and 30 June	<u>1,573,000</u>	<u>1,573,000</u>	<u>449</u>	<u>449</u>

For the three months ended 30 June 2014 and 30 June 2013, the company did not purchase its ordinary shares to be held as treasury shares.

No options were granted and no new shares were issued pursuant to the Employee Share Option 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 30 June 2014 was 220,183,864 (31 December 2013: 204,683,147).

The total number of treasury shares as at 30 June 2014 and 31 December 2013 was 1,573,000.

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

Not applicable.

AUDIT

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

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

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

Not applicable.

ACCOUNTING POLICIES

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current period as compared with those used in the audited financial statements for the financial year ended 31 December 2013.

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

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

EARNINGS PER SHARE

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

	GROUP					
	3 months ended 30.06.14	3 months ended 30.06.13	Change %	6 months ended 30.06.14	6 months ended 30.06.13	Change %
Earnings (Loss) per share of Group:						
(a) Based on weighted average number of ordinary shares on issue (cts); and	0.34	(0.18)	NM	0.41	0.29	41.4
(b) On a fully diluted basis (cts)	0.34	(0.18)	NM	0.41	0.29	41.4

For comparative purposes, the earnings per ordinary shares for the 3 months ended 30 June 2014 and 30 June 2013 are calculated based on the profit for the period of approximately \$0.8 million and the loss for the period of \$0.4 million respectively. The earnings per ordinary shares for the 6 months ended 30 June 2014 and 30 June 2013 are calculated based on the profit for the period of approximately \$0.9 million and \$0.6 million respectively.

The weighted average number of ordinary shares (excluding treasury shares) for the 3 months ended 30 June 2014 is 220,183,864 (3 months ended 30 June 2013: 204,681,071). The weighted average number of ordinary shares (excluding treasury shares) for the 6 months ended 30 June 2014 is 215,131,144 (6 months ended 30 June 2013: 204,681,035).

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	
	30.06.14	31.12.13	30.06.14	31.12.13
Net asset value per ordinary shares (cents)	23.78	24.11	21.57	21.53

Note: The number of ordinary shares of the Group and Company (excluding treasury shares) as at 30 June 2014 was 220,183,864 (31 December 2013: 204,683,147).

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

For the reporting period ended 30 June 2014, the Group recorded a 74.1% increase in revenue from \$17.9 million in 1H2013 to \$31.1 million in 1H2014. This increase was due to strong performance from the Group's business in Philippines, Taiwan and the PRC.

As a result of the introduction of the Manufacturing/Wholesale segment since March 2014, the Group's Gross Profit margin across business segments stands at 69.8% in 2Q2014, as opposed to 78.6% in 2Q2013.

Other Operating Income received for 2Q2014, increased by 163.7% to \$0.5 million vis-à-vis the same period last year due to higher management fee received and other miscellaneous income consisting of write back of payables.

Commissions, marketing and other sales related costs which make up the Group's Distribution Costs, increased by 74.0% in 1H2014, in line with the 74.1% increased in revenue recorded for this reporting period.

Administrative Expenses increased quarter-on-quarter from \$4.4 million to \$5.2 million in 2Q2014 as a result of staff costs, depreciation & amortization relating to the recently acquired Best World (Zhejiang) Pharmaceutical Co., Ltd. ("BWZ").

Net Other Charges was \$0.2 million in 2Q2014 due to foreign exchange losses after offsetting gain on disposal of property, plant and equipment. The decline of Net Other Credits from \$1.8 million in 1H2013 to \$0.1 million in 1H2014 was mainly due to the one-off realised gain of \$1.8 million from the sale of our Tong Lee property in 1Q2013.

The Group incurred Income Tax Expenses of \$0.4 million for the 2Q2014 due to certain profitable companies within the Group.

As a result, the Group registered a Profit Attributable to Owners of the Parent Company of \$0.8 million for 2Q2014 in contrast to a net loss of \$0.4 million in the corresponding quarter of FY2013.

Revenue by Business Segments

For Quarter: 2Q2014 Vs 2Q2013

Business Segment	3 months ended 30.06.14 Revenue		3 months ended 30.06.13 Revenue		Change
	\$'000	%	\$'000	%	%
Direct Selling	14,468	79.2	7,686	87.2	88.2
Export	1,405	7.7	1,133	12.8	24.0
Manufacturing/Wholesale	2,404	13.1	-	-	NM
Total	18,277	100.0	8,819	100.0	107.2

For Year-to-Date: 1H2014 Vs 1H2013

Business Segment	6 months ended 30.06.14 Revenue		6 months ended 30.06.13 Revenue		Change
	\$'000	%	\$'000	%	%
Direct Selling	24,527	78.9	16,496	92.4	48.7
Export	3,074	9.9	1,355	7.6	126.9
Manufacturing/Wholesale	3,478	11.2	-	-	NM
Total	31,079	100.0	17,851	100.0	74.1

The Group generated \$14.5 million or 79.2% of its total revenue from its core business of Direct Selling in 2Q2014, vis-à-vis to \$7.7 million in 2Q2013. This increase of 88.2% is primarily due to higher contributions from Philippines, Taiwan and Singapore.

Export revenue picked up by 24.0% from \$1.1 million in 2Q2013 to \$1.4 million in 2Q2014. This improvement was mainly attributable to the growth of exports to China and Myanmar. The Group continued its momentum garnered from the Export segment since 2H2013 as a result of increased orders for newly launched products.

The Manufacturing/Wholesale segment generated \$3.5 million for the four months period March to June 2014 after the completion of the acquisition in late February 2014. This constitutes 11.2% of the Group's total revenue.

As at 30 June 2014, the number of Lifestyle Centres increased to 65, up from 61 at 31 March 2014. Total membership rose 6.8% to 332,488 members, when compared to 31 March 2014.

Revenue by Geographical Locations

For Quarter: 2Q2014 Vs 2Q2013

Geographical Locations	3 months ended 30.06.14 Revenue		3 months ended 30.06.13 Revenue		Change
	\$'000	%	\$'000	%	%
Singapore	2,024	11.1	1,801	20.5	12.4
China	3,296	18.0	973	11.0	238.7
Indonesia	883	4.8	2,945	10.7	(6.6)
Taiwan	4,156	22.7	2,553	29.0	62.8
Philippines	5,841	32.0	321	3.6	1,719.6
Others	2,077	11.4	2,226	25.2	(6.7)
Total	18,277	100.0	8,819	100.0	107.2

For Year-to-Date: 1H2014 vs 1H2013

Geographical Locations	6 months ended 30.06.14 Revenue		6 months ended 30.06.13 Revenue		Change
	\$'000	%	\$'000	%	%
Singapore	4,101	13.2	3,910	21.9	4.9
China	5,491	17.7	1,093	6.1	402.4
Indonesia	1,764	5.7	2,043	11.4	(13.7)
Taiwan	6,574	21.1	5,051	28.3	30.2
Philippines	9,037	29.1	830	4.7	988.8
Others	4,112	13.2	4,924	27.6	(16.5)
Total	31,079	100.0	17,851	100.0	74.1

Singapore

Revenue from Singapore improved by 12.4% to \$2.0 million in 2Q2014 and \$4.1 million in 1H2014 due to the effects of marketing campaigns and activities during the quarter.

China

Revenue from the PRC increased by 238.7% in 2Q2014 and 402.4% in 1H2014 as a result of new revenue contributions from the Group's Manufacturing/Wholesale business and improvement in exports to our PRC's agent.

Management will continue to drive demand for our Manufacturing/Wholesale business by increasing marketing activities and participating in trade and consumers exhibitions in 2H2014.

Indonesia

In local currency terms, sales in Indonesia for 1H2014 demonstrated a marginal increase of 2% despite a political backdrop which dampened consumers' spendings.

In SGD terms, this translates to a 6.6% decrease in sales to \$0.9 million for 2Q2014 as a result of the continued unfavourable exchange rate movement of the IDR against SGD vis-à-vis the same period last year.

Barring unforeseen circumstances, Management believes the performance in Indonesia should gain traction in the coming quarters with the conclusion of the presidential election in July 2014.

Taiwan

Revenue from Taiwan made an improvement of 62.8% in 2Q2014. This improvement was largely attributable to the momentum gained from Taipei RC which was operational in 3Q2013.

Taiwan's consistent performance was achieved through a series of effective marketing and promotion strategies which increased product demand and new members.

Philippines

In 1H2014, revenue from Philippines grew 988.8% to \$9.0 million vis-a-vis the same period last year. This was mainly due to its relatively low revenue base last year and continued positive response to the new compensation plan launched in October of FY2013. Management will continue this successful approach to maintain sustainable growth and ride on the momentum to introduce new products in 2H2014.

Others

Revenue from Other Markets segment declined due to decreased sales from Thailand.

The export market of Myanmar, on the other hand, recorded improved revenue due to the recently launched products which received positive response.

Financial Position and Cash Flow

Non-current assets of the Group increased from \$9.2 million as at 31 December 2013 to \$14.9 million as at 30 June 2014, mainly due to an increase in Property Plant and Equipment and Intangible Assets as a result of the consolidation of the newly acquired BWZ. The increase in Intangible Assets of \$4.3 million mainly relates to provisional goodwill of \$2.8 million recorded for the acquisition of BWZ completed in February 2014. The final allocation of the purchase price to the identifiable assets acquired and liabilities and contingent liabilities assumed in the acquisition of BWZ in February 2014 is currently being determined and has not been completed. Other Financial Assets which consist of an existing bond investment has been reclassified to Current Assets as it is due to mature in 2015.

Inventory increased from \$5.9 million as at 31 December 2013 to \$6.6 million as at 30 June 2014 due to the consolidation of the newly acquired BWZ.

Trade and other receivables increased to \$10.8 million as at 30 June 2014 as compared to \$5.3 million as at 31 December 2013, which was in-line with the higher sales experienced in 2Q2014 as well as the consolidation of the newly acquired BWZ.

Other Assets which include deposits and prepayments, increased by \$0.9 million as a result of increase in tax prepayment, offsetting the decrease in mandatory security deposits made by a subsidiary.

Other Current Financial Assets which previously included a bond investment as at 31 December 2013 had matured in March 2014. In addition, the \$0.3 million of Other Financial Assets consist of the re-classification of bond investment listed above.

Trade and other payables which also include accruals increased from \$7.4 million as at 31 December 2013 to \$12.3 million as at 30 June 2014 due to the consolidation of the newly acquired BWZ and an increase in accruals, which mainly consists of commission payables.

Other Financial Liabilities decreased to \$1.9 million as at 30 June 2014 due to loan repayment, offsetting newly acquired finance leases of \$0.4 million.

Other Liabilities were maintained at \$1.0 million as at 30 June 2014 vis-à-vis 31 December 2013.

Cash and cash equivalents in the consolidated statement of cash flows decreased from \$31.5 million as at 31 December 2013 to \$25.7 million as at 30 June 2014 largely as a result of repayment of other financial liabilities and cash used in the acquisition of BWZ, offsetting the proceeds from the issue of shares to Mr Shi Jinyu for the acquisition of BWZ and net cash flow from operating activities.

As at 30 June 2014, the Group maintained a strong balance sheet and working capital position, with approximately \$27.5 million of cash and cash equivalents.

COMMENTARY ON THE CURRENT PERIOD'S PROSPECTS

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

The results are in line with the 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.

While overall results so far is in line with Management's expectation, we remain cautiously optimistic of our business and shall roll out marketing campaigns and launch new products which are in the pipeline to grow the Group's business segments for the remaining periods of FY2014.

Barring any unforeseen circumstances, Management is confident of the performance coming from Philippines, Taiwan and China in the remaining periods of FY2014.

Factors that may affect the Group's performance in our next reporting period are as follows:

- The Group shall continue to explore inorganic growth opportunities to tap into the value chain of businesses that are synergistic to ours;
- Rising operating costs and increasing cost of goods continue to pose a challenge to the Group. Plans are in motion to introduce a wider range of competitive products in the coming quarters;
- The Group expects higher depreciation expenses moving forward due to the increase in number of RCs, the refurbishment of existing RCs that occurred in FY2014 to maintain the Group's image and additional depreciation due to the addition of the Manufacturing/Wholesale business to the Group;

- Weakening currencies of markets which the Group operates in against the SGD may negatively impact the Group's performance moving forward. Management will keep a close watch on these currencies and execute measures that would mitigate any potential risks when deemed necessary;
- The revenue model and cost structure of the Group's Manufacturing/Wholesale business shall have full impact to the Group's performance in the coming quarters. Management continues to work according to schedule for the Group's China direct selling license application in FY2014.

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

Moving forward, Management shall be vigilant and put in place measures to mitigate any potential impact which any of the above factors may have on the Group's businesses.

DIVIDENDS

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

The directors are pleased to recommend an interim one tier tax-exempt dividend of 0.3 cents per share in respect of the financial period ended 30 June 2014.

(ii) Corresponding Period of the immediately Preceding Financial Year

None.

(b) Date payable for dividend and date of allotment and issue for bonus issue

Date payable for dividend: 3 October 2014

(c) Books closure dates for dividend and bonus issue

Book closure date for dividend: 16 September 2014

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

Not applicable.

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

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

14. Board Negative Assurance Confirmation for Interim Financial Results

We, Dr. Dora Hoan Beng Mui and Dr. 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 six months ended 30 June 2014 to be false or misleading.

On behalf of the Board of Directors

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

Dr. Doreen Tan Nee Moi
Co-Chairman, President

13 August 2014