

MEDIA RELEASE - FOR IMMEDIATE RELEASE

Best World FY2015 earnings grew 149.2% to \$10.1 million

- Revenue increased 35.1% to \$101.7 million in FY2015 due to strong growth in Taiwan, China and Indonesia
- Strong balance sheet supported by healthy cash position of \$47.2 million as at 31 December 2015
- Recommended final one-tier tax-exempt dividend of 1.5 cents per share and taking full year dividend payout to 2.0 cents per share
- China direct selling license application is proceeding on schedule

Singapore, 25 February 2016 – Mainboard-listed Best World International Limited (“Best World” or the “Group”), a company which specializes in the development, manufacture and distribution of premium skincare, personal care, nutritional and wellness products through its regional direct selling network and retail network in China, delivered a Net Profit Attributable to Owners of the Parent Company of \$10.1 million for the full year ended 31 December 2015 (“FY2015”), as compared to \$4.1 million for FY2014.

Financial Highlights

S\$'000	4Q2015	4Q2014	% Change	FY2015	FY2014	% Change
Revenue	40,945	24,957	64.1	101,672	75,265	35.1
Gross Profit	30,611	19,241	59.1	76,867	55,990	37.3
<i>Gross Profit Margin</i>	<i>74.8%</i>	<i>77.1%</i>	<i>(2.3p.p)</i>	<i>75.6%</i>	<i>74.4%</i>	<i>1.2p.p</i>
Operating Expenses**	(23,207)	(15,507)	49.7	(63,547)	(50,156)	26.7
Profit Before Tax	9,421	2,312	307.5	16,992	5,652	200.6
Net Profit Attributable to Owners of the Parent Company	3,714	2,052	81.0	10,104	4,054	149.2
<i>Net Profit Margin</i>	<i>9.1%</i>	<i>8.2%</i>	<i>0.9p.p</i>	<i>9.9%</i>	<i>5.4%</i>	<i>4.5p.p</i>
Basic Earnings per share### (Cents)	1.69	0.93	81.7	4.59	1.86	146.6

*p.p denotes percentage points ; NM denotes Not Meaningful; ** Includes distribution costs and administrative expenses*
 ### The weighted average number of ordinary shares for 4Q2015 is 220,183,864 (4Q2014: 220,183,864) and for FY2015 is 220,183,864 (FY2014: 217,678,269)

Revenue by Geographical Locations: FY2015 vs FY2014

Geographical Locations	FY2015		FY2014		% Change
	S\$'000	%	S\$'000	%	
Singapore	7,418	7.3	8,837	11.7	(16.1)
China	19,771	19.4	12,980	17.2	52.3
Indonesia	6,507	6.4	2,896	3.8	124.7
Taiwan	56,393	55.5	22,710	30.2	148.3
Philippines	2,841	2.8	18,470	24.6	(84.6)
Others	8,742	8.6	9,372	12.5	(6.7)
Total	101,672	100.0	75,265	100.0	35.1

The Group recorded revenue of \$101.7 million in FY2015, representing a 35.1% year-on-year increase, primarily due to strong growth from the Group's businesses in Taiwan, China and Indonesia. This also the first time the Group's full year revenue exceeded the \$100.0 million mark since 2008.

Taiwan market continued to be the Group's main revenue contributor for FY2015 with revenue increasing by 148.3% to \$56.4 million and accounted for more than half the Groups' total revenue. The Group has set up a third Regional Centre in Kaohsiung in January to tap the southern part of the Taiwan market. Revenue from China grew 52.3% year-on-year to \$19.8 million in FY2015, resulting from higher export orders from our China agent due to higher demand for our skincare and functional food lines. Revenue from Indonesia more than doubled from \$2.9 million in FY2014 to \$6.5 million in FY2015 as a result of the acquisition of a group of motivated leader distributors.

Revenue by Business Segment: FY2015 vs FY2014

Business Segment	FY2015		FY2014		% Change
	S\$'000	%	S\$'000	%	
Direct selling	80,545	79.2	60,261	80.1	33.7
Export	14,433	14.2	7,936	10.5	81.9
Manufacturing/Wholesale	6,694	6.6	7,068	9.4	(5.3)
Total	101,672	100.0	75,265	100.0	35.1

The Group generated \$80.5 million or 79.2% of its total revenue from its core business of Direct Selling in FY2015, translating to a 33.7% year-on-year increase due to market growth in Taiwan, Malaysia and Indonesia. Export revenue increased 81.9% year-on-year from \$7.9 million in FY2014 to \$14.4 million in FY2015, driven mostly by increased export orders coming from our China agent. Manufacturing/Wholesale revenue decreased 5.3% to \$6.7 million in FY2015, as a result of lower sales during the summer season for the year.

As a result of increased contribution from exports sales as well as improved margins from certain subsidiaries, year-on-year Gross Profit margin improved from 74.4% in FY2014 to 75.6% in FY2015.

In line with the increase of the Group's revenue, Distribution Costs, which comprise of freelance commissions and other sales related expenses increased by 28.8% from \$28.3 million in FY2014 to \$36.4 million in FY2015. As a percentage of revenue, the Group was able to reduce its Distribution Cost from 37.5% in FY2014 to 35.8% as a result of higher contribution from our export segment in FY2015. Administrative expenses increased from \$21.9 million in FY2014 to \$27.2 million in FY2015 due mainly to an increase in staff expenses, rental costs, and higher professional fees relating to new projects.

The Group registered a Profit Attributable to Owners of the Parent Company of \$10.1 million for FY2015 vis-à-vis a net profit of \$4.1 million in FY2014. The Group's earnings per share were 4.59 cents for FY2015, as compared to 1.86 cents for FY2014.

The Group maintained a strong balance sheet and working capital position, with approximately \$47.2 million of cash and cash equivalents as of 31 December 2015.

As at 31 December 2015, total membership increased 3.7% to 402,422 members, when compared to 30 September 2015. The Group's Lifestyle Centres for its Direct Selling business decreased from 78 as at 30 September 2015 to 73 as at 31 December 2015 due to closure of some of our Lifestyle Centres in certain subsidiaries.

Outlook

Barring any unforeseen circumstances, Management is cautiously optimistic that the Group shall perform positively in FY2016, due to continual growth in key markets like Taiwan, China and Indonesia as well as the launch of several new products in the next few quarters.

Group CEO, Dr. Dora Hoan commented, *“We are pleased that the strategies that we adopted for our key markets, particularly Taiwan, China and Indonesia, have been validated by the positive revenue and earnings growth the Group achieved in FY2015. We have laid out interesting plans for FY2016 and expect to maintain the current positive momentum and stimulate future demand in these markets by intensifying our marketing campaign and expanding our distribution channels. In addition, we are also starting to cultivate the UAE market with the building of our Dubai Regional Centre. The GCC markets will serve as a launch pad for us to springboard to other nearby markets such as India and Europe markets in the next three to five years.*

The Group’s business in China continued to exhibit consistent growth in FY2015, with revenue up by 52.3% to hit \$19.8 million, due to higher export orders from our China agent. Looking ahead, we will step up our marketing efforts to increase brand awareness and continue to introduce new products for the Manufacturing/Wholesale segment in 2016. Our application for a Direct Selling license in China is proceeding on schedule and we are moving closer to reaching our target of becoming a licensed Direct Selling company to capitalise on the huge market potential.

Dr. Hoan further added, *“As an appreciation of our shareholders’ long-term support, the Board has recommended a final one-tier tax-exempt dividend of 1.5 cents per share taking our total dividend for FY2015 to 2.0 cents per share. This represents a dividend payout of 43.6% of the Group’s FY2015 net profit.”*

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BEST WORLD INTERNATIONAL LIMITED
26 Tai Seng Street #05-01 Singapore 534057
Tel: (65) 6899 0088 Fax: (65) 6636 1531
Website: www.bestworld.com.sg
Registration No.: SG199006030Z

About Best World

Founded in 1990, Best World International is a company which specializes in the development, manufacture and distribution of premium skincare, personal care, nutritional and wellness products, to discerning customers through its direct selling network in the region and retail network in China.

In July 2004, Best World became the first direct-selling company to be publicly listed on the Singapore Stock Exchange.

Today, Best World is a key regional player with presence in Singapore, Thailand, Taiwan, Indonesia, Malaysia, Vietnam, Hong Kong, China, Korea, Philippines and Australia.

For more information, visit Best World's corporate website at www.bestworld.com.sg

Issued for and on behalf of Best World International Limited

Best World International Ltd

KOH Hui
Senior Group Financial Controller
huikoh@bestworld.com.sg
Tel: (65) 6302 5009

Benjamin SOH
Financial Analyst, Financial Planning & Analysis
benjamin.soh@bestworld.com.sg
Tel: (65) 6302 5087

Financial PR Pte Ltd

Kathy ZHANG
Managing Director
kathy@financialpr.com.sg

Kamal SAMUEL
Director
kamal@financialpr.com.sg

Yit Sung NGO
Director
yitsung@financialpr.com.sg