



BEST WORLD INTERNATIONAL LTD

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

Unaudited Condensed Interim Financial Statements For The Six Months Ended 30 June 2024

BEST WORLD INTERNATIONAL LIMITED
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For the six months ended 30 June 2024

TABLE OF CONTENTS

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION	4
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	5
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY	6
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS	8
OTHER INFORMATION	28

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Amounts expressed in Singapore dollars)

		Group		
		6 months ended 30.06.24 \$'000	6 months ended 30.06.23 \$'000	Change %
	Note			
Revenue	4	208,580	208,736	(0.1)
Cost of sales		<u>(39,906)</u>	<u>(44,793)</u>	(10.9)
Gross profit		168,674	163,943	2.9
<u>Other items of income</u>				
Interest income		7,369	5,862	25.7
Other operating income	6	1,040	985	5.6
<u>Other Items of expense</u>				
Distribution costs	8	(53,210)	(51,276)	3.8
Administrative expenses	8	(47,336)	(44,437)	6.5
Finance costs		(1,095)	(680)	61.0
Other gains/(losses), net	7	489	(614)	NM
Share of results of a joint venture		352	355	(0.8)
Share of results of an associate		<u>(42)</u>	<u>(70)</u>	(40.0)
Profit before tax		76,241	74,068	2.9
Income tax expense	9	<u>(16,614)</u>	<u>(15,354)</u>	8.2
Profit for the financial period		<u>59,627</u>	<u>58,714</u>	1.6
Profit attributable to:				
- Owners of the parent company		59,410	59,178	0.4
- Non-controlling interests		217	(464)	NM
Profit for the financial period		<u>59,627</u>	<u>58,714</u>	1.6
<u>Additional notes:</u>				
Gross profit margin		80.9%	78.5%	
Net profit margin		28.5%	28.4%	
Earnings per share (cents)	22	13.84	13.61	

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Amounts expressed in Singapore dollars)

	Group		
	6 months ended 30.06.24 \$'000	6 months ended 30.06.23 \$'000	Change %
Profit for the financial period, net of tax	59,627	58,714	1.6
<u>Other comprehensive loss</u>			
Exchange differences on translating foreign operations	(607)	(3,898)	(84.4)
Other comprehensive loss for the financial period, net of tax	(607)	(3,898)	(84.4)
Total comprehensive income for the financial period	<u>59,020</u>	<u>54,816</u>	7.7
Attributable to:			
Owners of the parent company	58,766	54,422	8.0
Non-controlling interests	254	394	(35.5)
Total comprehensive income for the financial period	<u>59,020</u>	<u>54,816</u>	7.7

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

(Amounts expressed in Singapore dollars)

	Note	Group		Company	
		30.06.24	31.12.23	30.06.24	31.12.23
		\$'000	\$'000	\$'000	\$'000
Assets					
Non-current assets					
Property, plant and equipment	10	77,644	76,483	7,965	4,940
Investment property	11	1,045	1,054	-	-
Other intangible asset	12	7,266	7,387	-	-
Intangible assets	13	992	994	86	70
Right-of-use assets		20,985	23,402	10,993	12,044
Investment in subsidiary corporations		-	-	124,686	124,685
Investment in a joint venture	14	25,880	25,528	-	-
Investment in an associate	15	1,655	1,697	-	-
Deferred tax assets		14,739	12,066	-	-
Other financial assets		1,208	1,184	-	-
Total non-current assets		151,414	149,795	143,730	141,739
Current assets					
Inventories	16	81,874	63,659	31,546	26,939
Trade and other receivables	17	14,592	10,695	62,248	51,476
Other assets		25,791	18,027	10,367	8,526
Other financial assets		14,710	14,627	14,710	14,627
Cash and cash equivalents	18	571,118	608,065	451,951	438,402
Total current assets		708,085	715,073	570,822	539,970
Total assets		859,499	864,868	714,552	681,709
Equity and liabilities					
Current liabilities					
Trade and other payables	19	86,373	138,537	45,500	46,426
Contract liabilities		6,951	7,669	-	-
Lease liabilities		4,961	5,192	1,724	1,648
Other financial liabilities		-	31	-	31
Borrowings	24	19,000	15,000	19,000	15,000
Provisions		29,270	34,882	882	882
Income tax payable		29,968	31,692	14,648	15,160
Total current liabilities		176,523	233,003	81,754	79,147
Net current assets		531,562	482,070	489,068	460,823
Non-current liabilities					
Provisions		1,605	1,605	964	964
Deferred tax liabilities		9,939	10,002	403	403
Lease liabilities		15,508	17,337	9,293	10,086
Other financial liabilities		12,880	12,624	-	-
Total non-current liabilities		39,932	41,568	10,660	11,453
Total liabilities		216,455	274,571	92,414	90,600
Net assets		643,044	590,297	622,138	591,109
Equity, attributable to owner of the company					
Share capital	20	2,343	2,343	2,343	2,343
Retained earnings		615,729	562,592	619,473	588,444
Other reserves		27,120	27,764	322	322
		645,192	592,699	622,138	591,109
Non-controlling interests		(2,148)	(2,402)	-	-
Total equity		643,044	590,297	622,138	591,109
Total equity and liabilities		859,499	864,868	714,552	681,709

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Amounts expressed in Singapore dollars)

	Group	
	6 months ended 30.06.24 \$'000	6 months ended 30.06.23 \$'000
Cash flows from operating activities:		
Profit before tax	76,241	74,068
Interest income	(7,369)	(5,862)
Interest expenses	1,095	680
Depreciation of property, plant and equipment	4,537	3,439
Depreciation of right-of-use assets	3,012	2,869
Depreciation of an investment property	9	9
Amortisation of other intangible assets	121	121
Amortisation of intangible assets	46	42
(Gain)/loss on disposal of property, plant and equipment	(61)	20
(Gain)/loss on disposal of other financial assets	(2)	1
Fair value gain on forward contracts	(31)	(43)
Fair value gain on other financial assets	(250)	(274)
Fair value change in call option	-	548
Fair value change in put option	-	558
Inventories written down	817	142
Bad debts written off	15	-
Share of results of a joint venture	(352)	(355)
Share of results of an associate	42	70
Unrealised foreign exchange adjustment, net	(1,586)	(4,549)
Operating cash flows before changes in working capital	<u>76,284</u>	<u>71,484</u>
Inventories	(19,034)	(2,719)
Trade and other receivables	(4,107)	(6,302)
Other assets	(7,764)	2,412
Trade and other payables	(52,926)	(60,168)
Provisions	(5,612)	-
Contract liabilities	(718)	(1,564)
Cash flows generated from operations	<u>(13,877)</u>	<u>3,143</u>
Income tax paid	(20,895)	(25,015)
Net cash flows used in operating activities	<u>(34,772)</u>	<u>(21,872)</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(5,937)	(7,524)
Proceeds from disposal of property, plant and equipment	267	7
Purchase of intangible assets	(44)	(25)
Purchase of other financial assets	(1,359)	(597)
Proceeds from disposal of other financial assets	1,948	265
Interest received	7,369	5,862
Net cash flows from/(used) in investing activities	<u>2,244</u>	<u>(2,012)</u>
Cash flows from financing activities:		
Purchase of treasury shares	(6,273)	(2,711)
Proceeds from bank borrowings	4,000	10,000
Payment of lease liabilities	(3,258)	(3,782)
Interest paid	(493)	(129)
Increase in cash restricted in use	(377,815)	(26,305)
Net cash flows used in financing activities	<u>(383,839)</u>	<u>(22,927)</u>
Net decrease in cash and cash equivalents	(416,367)	(46,811)
Effects of exchange rate changes on cash and cash equivalents	1,605	1,324
Cash and cash equivalents, statement of cash flows, beginning balance	<u>573,961</u>	<u>477,389</u>
Cash and cash equivalents, statement of cash flows, ending balance	<u><u>159,199</u></u>	<u><u>431,902</u></u>

Note A :

	Group	
	6 months ended 30.06.24 \$'000	6 months ended 30.06.23 \$'000
Cash and bank balances	571,118	465,649
Less: Cash pledged and cash restricted in use	(411,919)	(33,747)
Cash and cash equivalents in the consolidated cash flow statement	<u><u>159,199</u></u>	<u><u>431,902</u></u>

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Amounts expressed in Singapore dollars)

	Attributable to owners of the parent company									
	Total equity	Total	Share capital	Treasury shares	Retained earnings	Foreign currency translation reserve	Statutory reserves	Share-based compensation reserves	Other reserves	Non-controlling interests
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Group										
Balance at 1 January 2024	590,297	592,699	20,618	(18,275)	562,592	(4,833)	33,384	322	(1,109)	(2,402)
Movements in equity										
Profit for the financial period	59,627	59,410	-	-	59,410	-	-	-	-	217
Other comprehensive (loss)/income for the financial period	(607)	(644)	-	-	-	(644)	-	-	-	37
Total comprehensive income/(loss) for the financial period	59,020	58,766	-	-	59,410	(644)	-	-	-	254
Purchase of treasury shares ^(a)	(6,273)	(6,273)	-	-	(6,273)	-	-	-	-	-
Balance at 30 June 2024	643,044	645,192	20,618	(18,275)	615,729	(5,477)	33,384	322	(1,109)	(2,148)
Group										
Balance at 1 January 2023	483,646	486,166	20,618	(18,275)	452,231	(1,005)	33,384	322	(1,109)	(2,520)
Movements in equity										
Profit for the financial period	58,714	59,178	-	-	59,178	-	-	-	-	(464)
Other comprehensive (loss)/income for the financial period	(3,898)	(4,756)	-	-	-	(4,756)	-	-	-	858
Total comprehensive income/(loss) for the financial period	54,816	54,422	-	-	59,178	(4,756)	-	-	-	394
Purchase of treasury shares ^(b)	(2,711)	(2,711)	-	-	(2,711)	-	-	-	-	-
Balance at 30 June 2023	535,751	537,877	20,618	(18,275)	508,698	(5,761)	33,384	322	(1,109)	(2,126)

Note (a) On 15 April 2024, pursuant to an on-market share purchase, \$6.3 million was paid by the Company for this purchase out of profits.

Note (b) On 18 January 2023, pursuant to an on-market share purchase, \$2.7 million was paid by the Company for this purchase out of profits.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024

(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 2024	591,109	20,618	(18,275)	588,444	322
<u>Movements in equity</u>					
Total comprehensive income for the period	37,302	-	-	37,302	-
Purchase of treasury shares ^(a)	(6,273)	-	-	(6,273)	-
Balance as at 30 June 2024	<u>622,138</u>	<u>20,618</u>	<u>(18,275)</u>	<u>619,473</u>	<u>322</u>
Balance at 1 January 2023	426,811	20,618	(18,275)	424,146	322
<u>Movements in equity</u>					
Total comprehensive income for the period	75,318	-	-	75,318	-
Purchase of treasury shares ^(b)	(2,711)	-	-	(2,711)	-
Balance as at 30 June 2023	<u>499,418</u>	<u>20,618</u>	<u>(18,275)</u>	<u>496,753</u>	<u>322</u>

Note (a) On 15 April 2024, pursuant to an on-market share purchase, \$6.3 million was paid by the Company for this purchase out of profits.

Note (b) On 18 January 2023, pursuant to an on-market share purchase, \$2.7 million was paid by the Company for this purchase out of profits.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

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 research and development, manufacture and distribution of nutritional supplement products, personal care products and healthcare equipment through the Group's distribution channels.

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 2023.

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 2024.

There was no change in the accounting policies and methods of computation for the current financial year reported on.

2. Basis of preparation (Cont'd)

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.

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 2023.

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:

- a) Income taxes
- b) Expected credit losses ("ECL") on trade receivables
- c) Fair value measurement of put and call options Pedal Pulses Limited
- d) Valuation of inventories

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 2023.

3. Seasonal operations

Traditionally, we experience lower revenue in the first quarter of the year, largely attributed to the long Chinese New Year holidays celebrated in our key markets. In addition, our distributors and franchisees are generally more motivated during the fourth quarter as they strive to achieve sales targets before taking an extended break in the subsequent month that coincides with 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 to customers through retail and online channels in Singapore, Malaysia, Indonesia, Thailand, Taiwan, Hong Kong, Macau, Vietnam, Philippines, Korea, Australia, New Zealand, United States, Canada, and The United Arab Emirates;
- (ii) The Franchise segment comprises sales to independent third parties who are permitted to establish and operate BWL Lifestyle Centres in 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 Myanmar, a manufacturing business in Singapore as well as sales of health supplements manufactured by the Group's Hangzhou factory to wholesalers all over China.

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

Management monitors the operating results of its business units 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 six months ended 30 June 2024

Group

	<u>Direct</u>			
	<u>Selling</u>	<u>Franchise</u>	<u>Others</u>	<u>Total</u>
	\$ '000	\$ '000	\$ '000	\$ '000
External sales and services	133,723	74,137	720	208,580
Recurring EBITDA	35,671	41,740	(29)	77,382
Interest income	4,700	2,620	49	7,369
Interest expense	(642)	(354)	(99)	(1,095)
Depreciation	(4,600)	(2,260)	(698)	(7,558)
Amortisation	(91)	(47)	(29)	(167)
Share of results of a joint venture	-	-	352	352
Share of results of an associate	-	-	(42)	(42)
Profit/(loss) before tax from continuing operations	35,038	41,699	(496)	76,241
Income tax expense				(16,614)
Profit from continuing operations				59,627
<u>Other segment items</u>				
Additions to property, plant and equipment	3,205	2,192	540	5,937
Additions to intangible assets	31	13	-	44
<u>Assets and liabilities</u>				
Total assets for reportable segments	351,659	325,676	84,476	761,811
Unallocated assets				97,688
Total group assets	351,659	325,676	84,476	859,499
Total liabilities for reportable segments	(43,547)	(94,068)	(7,052)	(144,667)
Unallocated liabilities				(71,788)
Total group liabilities	(43,547)	(94,068)	(7,052)	(216,455)

4. Segment and revenue information (Cont'd)

4.1 Reportable segments (Cont'd)

Business Segments
For the six months ended 30 June 2023
Group

	<u>Direct</u> <u>Selling</u> \$ '000	<u>Franchise</u> \$ '000	<u>Others</u> \$ '000	<u>Total</u> \$ '000
External sales and services	119,920	88,492	324	208,736
Recurring EBITDA	32,148	48,091	(5,158)	75,081
Interest income	3,022	2,635	205	5,862
Interest expense	(226)	(218)	(236)	(680)
Depreciation	(2,436)	(1,437)	(2,444)	(6,317)
Amortisation	(9)	(2)	(152)	(163)
Share of results of a joint venture	-	-	355	355
Share of results of an associate	-	-	(70)	(70)
Profit/(loss) before tax from continuing operations	32,499	49,069	(7,500)	74,068
Income tax expense				(15,354)
Profit from continuing operations				58,714
<u>Other segment items</u>				
Additions to property, plant and equipment	2,303	3,224	1,997	7,524
Additions to intangible assets	12	13	-	25
<u>Assets and liabilities</u>				
Total assets for reportable segments	272,485	265,366	89,006	626,857
Unallocated assets				103,066
Total group assets	272,485	265,366	89,006	729,923
Total liabilities for reportable segments	(36,514)	(107,572)	(7,721)	(151,807)
Unallocated liabilities				(42,365)
Total group liabilities	(36,514)	(107,572)	(7,721)	(194,172)

4. Segment and revenue information (Cont'd)

4.2 Disaggregation of revenue

	Group	
	For the six months ended	
	30 June	
	2024	2023
	\$'000	\$'000
Primary geographical markets		
Singapore	29,809	24,881
China	74,793	88,693
Taiwan	50,412	56,881
Malaysia	14,093	12,648
Hong Kong	18,376	8,239
Others	21,097	17,394
	<hr/>	<hr/>
Total revenue	208,580	208,736
	<hr/>	<hr/>

	Group	
	For the six months ended	
	30 June	
	2024	2023
	\$'000	\$'000
Major operating segments		
Direct selling	133,723	119,920
Franchise	74,137	88,492
Others	720	324
	<hr/>	<hr/>
Total revenue	208,580	208,736
	<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-Jun-24 \$'000	31-Dec-23 \$'000	30-Jun-24 \$'000	31-Dec-23 \$'000
Financial assets:				
Non-Current:				
<i>Financial assets at fair value through profit or loss</i>				
Other financial assets	1,208	1,184	-	-
Total financial assets (non-current)	1,208	1,184	-	-
Current:				
<i>Financial assets at fair value through profit or loss</i>				
Other financial assets	14,710	14,627	14,710	14,627
<i>Financial assets at amortised cost</i>				
Cash and bank balances	571,118	608,065	451,951	438,402
Trade and other receivables	8,639	10,695	60,225	50,217
	579,757	618,760	512,176	488,619
Total financial assets (current)	594,467	633,387	526,886	503,246
Total financial assets	595,675	634,571	526,886	503,246
Financial liabilities:				
Non-Current:				
<i>Financial liabilities at fair value through profit or loss</i>				
Other financial liabilities	12,880	12,624	-	-
<i>Financial liabilities at amortised cost</i>				
Lease liabilities	15,508	17,337	9,293	10,086
Total financial liabilities (non-current)	28,388	29,961	9,293	10,086
Current:				
<i>Financial liabilities at fair value through profit or loss</i>				
Other financial liabilities	-	31	-	31
<i>Financial liabilities at amortised cost</i>				
Trade and other payables	86,373	138,277	45,500	46,426
Borrowings	19,000	15,000	19,000	15,000
Lease liabilities	4,961	5,192	1,724	1,648
	110,334	158,469	66,224	63,074
Total financial liabilities (current)	110,334	158,500	66,224	63,105
Total financial liabilities	138,722	188,461	75,517	73,191

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

(a) Fair value hierarchy

The Group categories 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;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 year.

(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 Jun 2024 \$'000		Group As at 31 Dec 2023 \$'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	14,710	-	14,627	-
- Call option – Pedal Pulses Ltd.	-	1,208	-	1,184
Recurring fair value measurements liabilities:				
Other financial liabilities				
- Forward contract	-	-	-	(31)
- Put option – Pedal Pulses Ltd.	-	(12,880)	-	(12,624)

5. 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 – Pedal Pulses Limited	Put option – Pedal Pulses Limited	Total
At 31 December 2023 and 1 January 2024	1,184	(12,624)	(11,440)
Foreign exchange adjustment	24	(256)	(232)
30 June 2024	1,208	(12,880)	(11,672)

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 June 2024 \$'000			
	Quoted prices in active markets for identical assets (Level 1)	Significant unobservable inputs (Level 3)	Fair value	Carrying amount
Assets				
Investment property	-	3,700	3,700	1,045

	Group As at 31 December 2023 \$'000			
	Quoted prices in active markets for identical assets (Level 1)	Significant unobservable inputs (Level 3)	Fair value	Carrying amount
Assets				
Investment property	-	3,700	3,700	1,054

6. Other operating income

	Group	
	For the six months ended	
	30 June	
	2024	2023
	\$'000	\$'000
Rental income	63	63
Government grants	42	238
Write back of accruals	-	506
Franchise fee	583	-
Miscellaneous income	352	178
	<hr/>	<hr/>
	1,040	985
	<hr/>	<hr/>

7. Other gains/(losses), net

	Group	
	For the six months ended	
	30 June	
	2024	2023
	\$'000	\$'000
Fair value gain on other financial assets	250	274
Fair value gain on forward contract	31	43
Fair value change in call option	-	(548)
Fair value change in put option	-	(558)
Inventories written-down	(817)	(142)
Foreign exchange gains, net	977	338
Gain/(loss) on disposal of property, plant and equipment	61	(20)
Gain/(loss) on disposal of other financial assets	2	(1)
Bad debts written off	(15)	-
	<hr/>	<hr/>
	489	(614)
	<hr/>	<hr/>

8. Profit before income tax

Group
For the six months ended
30 June

	2024	2023
	\$'000	\$'000

Included in distribution costs

Commission expenses	44,493	40,149
Franchise sales related expenses	3,416	4,011

Included in administrative expenses

Employee benefit expenses	34,337	31,094
Amortisation of intangible assets	46	42
Amortisation of other intangible asset	121	121
Depreciation of right-of-use assets	3,012	2,869
Depreciation of property, plant and equipment	4,537	3,439
Depreciation of investment property	9	9

9. Income tax expense

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

Group
For the six months ended
30 June

	2024	2023
	\$'000	\$'000

Consolidated statement of profit or loss:

Current income tax:

- Current income taxation	18,992	14,139
- Over-provision in respect of previous years	-	(281)
- Withholding tax	153	480

19,145 14,338

Deferred tax expenses:

- Origination and reversal of temporary differences	(2,531)	1,016
-----------------------------------------------------	---------	-------

Income tax expense recognised in profit or loss	16,614	15,354
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10. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to \$5,937,000 (30 June 2023: \$7,524,000) and disposed of assets amounting to \$206,000 (30 June 2023: \$27,000).

11. Investment property

	Group	
	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000
At cost	1,400	1,400
Less: accumulated depreciation	(355)	(346)
Net book value	<u>1,045</u>	<u>1,054</u>

12. Other intangible assets

	Group	
	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000
At cost	9,095	9,095
Less: accumulated amortisation	(1,829)	(1,708)
Net book value	<u>7,266</u>	<u>7,387</u>

13. Intangible assets

	Group		Company	
	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000
Goodwill	1,016	1,016	-	-
Licenses	8,340	8,330	-	-
Trademarks	989	964	734	709
Customer relationship	740	740	-	-
	<u>11,085</u>	<u>11,050</u>	<u>734</u>	<u>709</u>
Less: accumulated amortisation	(10,093)	(10,056)	(648)	(639)
Net book value	<u>992</u>	<u>994</u>	<u>86</u>	<u>70</u>

14. Investment in a joint venture

	Group	
	As at 30 Jun	As at 31 Dec
	2024	2023
	\$'000	\$'000
Beginning of financial period/year	25,528	25,600
Dividend received	-	(815)
Share of post-acquisition results	352	743
	<hr/>	<hr/>
End of financial period/year	<u>25,880</u>	<u>25,528</u>

15. Investment in an associate

	Group	
	As at 30 Jun	As at 31 Dec
	2024	2023
	\$'000	\$'000
Beginning of financial period/year	1,697	4,691
Share of post-acquisition results	(42)	(144)
Less: Impairment loss charged to profit and loss	-	(2,850)
	<hr/>	<hr/>
End of financial period/year	<u>1,655</u>	<u>1,697</u>

16. Inventories

	Group		Company	
	As at 30 Jun	As at 31 Dec	As at 30 Jun	As at 31 Dec
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<i>Statement of financial position:</i>				
Finished goods	75,268	60,967	31,546	26,939
Raw materials	5,059	2,067	-	-
Work-in-progress	1,353	474	-	-
Packaging materials	194	151	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total inventories	<u>81,874</u>	<u>63,659</u>	<u>31,546</u>	<u>26,939</u>

17. Trade and other receivables

	Group		Company	
	As at 30 Jun 2024	As at 31 Dec 2023	As at 30 Jun 2024	As at 31 Dec 2023
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Trade receivables				
Third parties	11,962	2,857	2,023	1,259
Subsidiary corporations	-	-	45,970	42,861
Less: Allowance for expected credit losses	(1,574)	(1,577)	(9,172)	(9,172)
	10,388	1,280	38,821	34,948
Other receivables				
Third parties	1,642	6,831	219	1,156
Refundable rental deposits	2,799	2,822	2,240	2,338
Associate	28	27	-	-
Related company	-	-	28	27
Subsidiary corporations	-	-	29,807	21,874
Less: Allowance for expected credit losses	(265)	(265)	(8,867)	(8,867)
	4,204	9,415	23,427	16,528
Total trade and other receivables	14,592	10,695	62,248	51,476
Less: GST and VAT receivables	(5,953)	-	(2,023)	(1,259)
Total trade and other receivables at amortised cost	8,639	10,695	60,225	50,217

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 Jun 2024	As at 31 Dec 2023	As at 30 Jun 2024	As at 31 Dec 2023
	\$'000	\$'000	\$'000	\$'000
Cash at banks	571,118	608,065	451,951	438,402
Cash pledged for bank facilities	(28,418)	(29,825)	(7,370)	(8,435)
Cash pledged for security deposits	(4,267)	(4,280)	-	-
Cash held in escrow	(379,234)	-	(379,234)	-
Cash and cash equivalents for consolidated statement of cash flows purposes at end of the financial period/year	159,199	573,960	65,347	429,967

19. Trade and other payables

	Group		Company	
	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000
Trade payables				
- Third parties	5,421	5,496	4,426	4,903
- Subsidiary corporation	-	-	14,531	-
	5,421	5,496	18,957	4,903
Other payables				
- Third parties	42,850	81,253	4,299	4,682
- Subsidiary corporations	-	-	1,945	1,706
	42,850	81,253	6,244	6,388
Accrued operating expenses	38,102	51,788	20,299	35,135
Total trade and other payables	86,373	138,537	45,500	46,426
Less: GST and VAT payables	-	(260)	-	-
Total trade and other payables at amortised cost	86,373	138,277	45,500	46,426

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	
	2024	2023	2024	2023
At 1 January	430,445,393	436,120,193	2,343	2,343
Share buyback – held as treasury shares	(2,530,000)	(1,328,000)	-	-
At 30 June	427,915,393	434,792,193	2,343	2,343

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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
At 1 January	20,567,600	14,892,800	18,275	18,275
Share buyback – held as treasury shares	2,530,000	1,328,000	-	-
At 30 June	<u>23,097,600</u>	<u>16,220,800</u>	<u>18,275</u>	<u>18,275</u>

For the six months ended 30 June 2024, the Company purchased 2,530,000 of its ordinary shares (6 months ended 30 June 2023: 1,328,000 shares) by way of on-market purchase at share price ranging from \$2.46 to \$2.48 (6 months ended 30 June 2023: ranging from \$1.98 to \$2.08) to be held as treasury shares.

The total number of issued ordinary shares excluding treasury shares as at 30 June 2024 was 427,915,393 (31 December 2023: 430,445,393).

There were no outstanding convertibles as at 30 June 2024 and 30 June 2023.

The total number of treasury shares as at 30 June 2024 was 23,097,600 (30 June 2023: 16,220,800).

21. Dividend

Pursuant to the Extraordinary General Meeting and the Company's application with the Court for the approval for the Selective Capital Reduction, no dividends have been declared or recommended by the Board for the financial period ended 30 June 2024.

22. Earnings per share

	GROUP		
	For the six months ended 30 June		Change %
	2024	2023	
Earnings per share of Group:			
(a) Based on weighted average number of ordinary shares on issue (cts); and	13.84	13.61	1.69
(b) On a fully diluted basis (cts)	13.84	13.61	1.69

For comparative purposes, the earnings per share for the six months ended 30 June 2024 and 30 June 2023 are calculated based on the profit attributable to the owners of the Company of \$59.4 million and \$59.2 million, respectively.

The weighted average number of ordinary shares (excluding treasury shares) for the six months ended 30 June 2024 was 429,388,909 (6 months ended 30 June 2023: 434,924,259).

23. Net asset value per share

	GROUP		COMPANY	
	30.06.24	31.12.23	30.06.24	31.12.23
Net asset value per ordinary shares (cents)	150.78	137.69	145.39	137.32

Note: The number of ordinary shares of the Group and the Company (excluding treasury shares) as at 30 June 2024 was 427,915,393 (31 December 2023: 430,445,393).

24. Borrowings and debt securities

- i. Aggregate amount of the Group's and the Company's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30.06.2024		As at 31.12.2023	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
19,000	-	15,000	-

Amount repayable after one year

As at 30.06.2024		As at 31.12.2023	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	-	-	-

- ii. Details of any collateral

As at 30 June 2024, the group's working capital loan is secured by fixed deposits pledged to bank and corporate guarantee from a Company's subsidiary. The Group has no unsecured borrowings.

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 year:

	Group For the six months ended 30 June	
	2024 \$'000	2023 \$'000
With persons related to directors of the Company		
Sale of goods	29	36
Commission expenses	(453)	(436)
Marketing fee	(51)	(56)
Consultancy fee expenses	(94)	(45)
With company related to directors of the Company		
Consultancy fee expenses	(208)	(44)

26. Subsequent event

Acquisition of additional shares in Pedal Pulses Limited (“PPL”)

On 23 July 2024, the Group has through its wholly owned subsidiary corporation, MDUK Investment Pte. Ltd., further acquired 116 ordinary shares of PPL, representing 10.0% equity interest in PPL for a cash consideration of GBP3,206,000 (equivalent to \$5,521,000). Consequently, the equity interest in Pedal Pulses Limited has increased to 59.91%.

The Group continues to account for PPL as a joint venture on the basis that the Group jointly controls the venture with other partner under the contractual agreement which requires unanimous consent for all major decisions over the relevant activities.

Updates on Selective Capital Reduction (“SCR”)

As of 30 June 2024, a total cash of \$379,234,000 (Note 18) was held in escrow for the purpose of SCR, and the below resolutions subject to shareholders’ approval at the Extraordinary General Meeting (“EGM”) as well as the approval and confirmation by the Court:

1. Capitalisation of Retained Earnings;
2. The SCR; and
3. Delisting from Singapore Exchange Securities Trading Limited.

On 19 July 2024, an EGM was held by the Company, and accordingly, the resolutions were passed by the shareholders through an electronic poll. The SCR is pending approval and confirmation by the Court as of 7 August 2024.

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 June 2024 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 period ended 30 June 2024 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

The Group recorded profits attributable to the owners of the parent company amounting to \$59.4 million in 1H2024, representing a 0.4% marginal increase as compared to the same period last year. A summary of the contributing factors include:

- a) **Revenue** in 1H2024 remained flat at \$208.6 million, compared to \$208.7 million in 1H2023, due to lower sales in our China and Taiwan market, offsetting improvements in sales from Hong Kong, Singapore and Malaysia;
- b) **Cost of sales** decreased 10.9% to \$40.0 million in 1H2024 mainly as a result of lower sales in our China and Taiwan market, offsetting higher custom duties and packing charges. Gross Profit Margin increased from 78.5% in 1H2023 to 80.9% in 1H2024 mainly due to higher contribution from higher-margin products for certain markets;
- c) **Interest income** increased 25.7% to \$7.4 million in 1H2024, mainly due to higher interest derived from the Group's cash placed in structured and fixed deposits with banks;
- d) **Other operating income** remained stable at \$1.0 million in 1H2024;
- e) **Distribution costs** increased from \$51.3 million in 1H2023 to \$53.2 million in 1H2024, as a result of higher freelance commission from our direct selling segment due to improved sales, along with training, event and sales related expenses for the franchise segment;
- f) **Administrative expenses** for 1H2024 increased from \$44.4 million to \$47.3 million vis-à-vis the same period last year, primarily attributed to higher management and staff costs for the expansion and retention of our management and staff base, in order to ensure our competitive edge and adaptability in the dynamic and ever-evolving industry landscape, offsetting the absence of expenses related to the Site Acceptance Test for one of the lines in our Tuas manufacturing facility which incurred in 1H2023 and was completed in 3Q2023;

- g) **Finance costs** was recorded at \$1.1 million in 1H2024, mainly due to the higher interest expenses from bank borrowing due to a larger loan drawdown;
- h) **Net other gains** of \$0.5 million in 1H2024 were primarily due to net foreign exchange gains from the revaluation of HQ cash and cash equivalents denominated in United States Dollars (USD) as a result of strengthening USD, offsetting allowance for slow moving stock for the period, while net other losses of \$0.6 million were recorded in 1H2023, primarily due to fair value changes in the call and put options related to the Group's UK joint venture company, Pedal Pulses Limited which were offset by net foreign exchange gains;
- i) **Share of results** of Pedal Pulses Limited, our UK joint venture, decreased to \$352,000 in 1H2024 when compared to \$355,000 in 1H2023, mainly due to slight lower share of profits for the period, offsetting amortisation expenses of intangible assets identified during the purchase price allocation exercise;
- j) **Share of losses** of our associate, Celligenics decreased from \$70,000 in 1H2023 to \$42,000 in 1H2024 mainly due to lower operating expenses for the period;
- k) The Group reported higher **income tax expense** of \$16.6 million in 1H2024 as compared to \$15.4 million in 1H2023 due to higher profit before tax generated by the Group. The effective tax rate for 1H2024 was 21.8% as compared to 20.7% in 1H2023.

Consolidated Statement of Financial Position

Total assets (Group) decreased from \$864.9 million as at 31 December 2023 to \$859.5 million as at 30 June 2024, mainly due to:

- Decrease in right-of-use assets of \$2.4 million mainly due to depreciation; and
- Decrease in cash and cash equivalents of \$36.9 million due to reasons stated in the consolidated statement of cash flows section below.

This was partially offset by a \$1.2 million increase in property, plant and equipment from \$76.5 million to \$77.6 million as at 30 June 2024 due to renovation costs related to the Group's Supply Chain & Quality office and Taichung office cum regional centre, increase in deferred tax assets of \$2.7 million due to higher unrealised profits from inventory, increase in inventories of \$18.2 million due to stock replenishment from certain subsidiaries, increase in trade and other receivables of \$3.9 million as a result of net GST/VAT receivables and pending transaction clearances from payment service providers and increase in other assets of \$7.8 million due to higher advance payment made to suppliers when compared to 31 December 2023.

Total liabilities (Group) decreased from \$274.6 million as at 31 December 2023 to \$216.5 million as at 30 June 2024, mainly due to:

- Decrease in income tax payables of \$1.7 million due to tax payments made during 1H2024;
- Trade and other payables which mainly consist of accruals for management and staff incentive and marketing events expenses, as well as service fees to third-party promotional companies for our Franchise segment, and freelance commissions for our Direct Selling segment, decreased \$52.2 million due to lower sales-related expenses from the Franchise segment and management and staff incentives paid in 1H2024;
- Decrease in total lease liabilities of \$2.1 million mainly due to payment of lease liabilities; and
- Decrease in the provision of \$5.6 million due to lower convention expense accrued.

The above decline was offset by the increase in borrowings of \$4.0 million mainly due to additional loan drawdown from HQ.

Consolidated Statement of Cash Flows

1H2024 recorded **net cash used in operating activities** of \$34.8 million, mainly attributable to the cash outflow from working capital changes due to lower trade and other payables as a result of management and staff incentives paid during the period, payment of sales related expenses for Franchise segment, decrease in the provision, increase in inventories and higher trade and other receivables due to reasons explained above, as well as income tax paid during the period.

Net cash flow from investing activities of \$2.2 million in 1H2024 was mainly due to interest received and proceeds from the redemption of other financial assets, offsetting purchase of other financial assets and property, plant and equipment relating to renovation costs of the Group's Supply Chain & Quality office and Taichung office cum regional centre during the period.

Net cash flow used in financing activities of \$383.8 million in 1H2024 was mainly due to an increase in cash restricted in use as cash were held in escrow for the purpose of the selective capital reduction exercise, share buyback of \$6.3 million conducted on 15 April 2024 and lease liabilities paid during the period, offsetting an increase in working capital loan of \$4.0 million.

As at 30 June 2024, the Group maintained approximately \$571.1 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 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.

In line with multiple reports citing the likelihood of China's economy facing more challenges in the year ahead due to the China's declining exports and challenges in the property sector, management continues to expect to face strong headwinds for the Group's largest market for the remaining quarters of FY2024.

The Group's direct selling segment may also face challenges as economic volatility, supply chain disruptions, and changing consumer behavior etc., could influence customer demand, production plans, operating costs and overall profitability of the Group.

Barring any unforeseen circumstances, management maintains a cautious outlook for the next 12 months.

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

- The Group's subsidiary in China currently benefits from certain local incentives. Withdrawal or reduction of these incentives, or any other changes to the requirements in relation to the incentives could have an effect on the Group's profitability, especially considering the substantial contribution of the China market to the Group;
- While rolling out the Group's inorganic growth strategy, professional fees may be incurred for services which include, but are not limited to, assessment of M&A targets, 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, etc;
- As the Group's operations grow in scale and complexity, we expect more hirings which will increase management and staff costs. Coupled with higher expenses and depreciation in relation to the relocation/refurbishment of certain Regional Centres, and the Group's Singapore HQ, logistics centre and packaging facility, we expect higher administrative expenses in the periods ahead;
- Given that the Group procures predominantly in the USD and maintains certain reserves in the same currency, fluctuations in interest rates and inflation could either benefit or adversely affect the value of the USD, thereby influencing the Group's earnings positively or negatively; and
- The Group's financial performance may be positively or negatively influenced by the fluctuating exchange rates of key markets in which it operates against the Singapore Dollar. Management is proactively monitoring the situation and will implement suitable measures to mitigate such risks.

Other ongoing factors that may affect the Group's performance include, but are not limited to, timeline for product license registration/renewal in key markets, cyberattacks, natural or man-made disasters, unanticipated regulatory changes, climate change risks and disruptions from competitors and negative public opinion, whether real or unfounded.

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 six months ended 30 June 2024	
	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	9	NA
- Freelance commission paid	159	NA
- Marketing fee paid	50	NA
Pek Jia Rong ⁽¹⁾		
- Sales	9	NA
- Freelance commission paid	242	NA
Audrey Koh Karmen ⁽²⁾		
- Sales	1	NA
- Marketing fee paid	1	NA
- Consultancy fee paid	208	NA

Note (1): Daughter of Doreen Tan Nee Moi

Note (2): Spouse of Huang Ban Chin

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 six months ended 30 June 2024 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

7 August 2024