



**BEST WORLD INTERNATIONAL LIMITED**  
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## **\*DJ Best World Sees Profit Growing 30% A Year For Next 3 Yrs**

By Aaron Back

Of DOW JONES NEWSWIRES

SINGAPORE (Dow Jones)--Best World International Ltd. (5ER.SG) expects to grow its profits at a compound annual rate of 30% for the next three years by growing its presence in established markets and expanding into new ones, according to executive director Huang Ban Chin.

"We feel this rate of growth is achievable because there is room for growth still in our established markets of Malaysia and Indonesia, even as we expand into new markets," Huang told Dow Jones Newswires in a recent interview.

Best World, which sells health, skin care, and lifestyle products through regional direct selling networks, makes the bulk of its sales in Malaysia, Singapore, and Indonesia, but is expanding into several other Asian countries.

Malaysia is its largest market, accounting for 45.5% of sales in the first half of 2006, followed by Singapore with 32.9% of total sales, and Indonesia at 17.6%.

Other markets including Taiwan, Hong Kong, and Thailand accounted for just 4% of total sales in the first half of 2006, but that number is set to grow.

"We expect Hong Kong and Taiwan together to account for 5% to 10% of total sales in 2007," Huang said.

In the six months to June 30, Best World posted a 32.6% increase in net profit to S\$5.8 million, and a 39.4% increase in revenue to S\$35.1 million, compared with the same period last year.

Best World is currently in talks with a number of parties to form a joint-venture with a local partner in China.

Direct selling in China is complicated by regulatory hurdles such as a cap on commissions paid to distributors, but Huang said Best World can "carve out a niche" for itself in China by finding a partner with local expertise.

Since the Guangdong market is already being served by Hong Kong, Best World is looking for a partner in the central and northern regions of China.

Best World plans to expand into Japan, India and the Philippines by 2009, and is considering joint ventures and acquisitions as a means to do so, Huang said.

In Malaysia and Indonesia, further growth will be fueled partly by appealing to those countries' Muslim majorities.

Best World recently obtained Halal certification for several of its health food products, and expects to obtain it soon for skin care products, allowing it to reach beyond its mostly Chinese customer base.

"At this point in time our market is predominantly Chinese. In fact, in Malaysia it is almost entirely Chinese," said Huang.



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"But rather than view that as a concern, I would view it as an opportunity for further growth, since Chinese are only about 30% of the population there."

Sales to Indonesia in the first half of 2006 fell by 1.6% compared with the same period in 2005 due to a number of factors, said Huang.

These factors included the removal of the fuel subsidy which put a dent in consumer budgets, and a local tax law that imposed a 10% withholding rate on distributors' commissions.

But Huang predicts a recovery, with "single-digit growth" in Indonesian sales.

A final pillar of Best World's growth is the "constant launching of new products," said Huang, such as the rollout of the BWL Negative Ionizer since December 2005.

The negative ionizer accounted for around 10% of Best World's sales in the first half of 2006, and has recently seen accelerating sales due to the haze nuisance that has plagued Singapore in October, Huang said.

Illegal land-clearing fires in Indonesia have plagued Southeast Asia every year since the 1990s, with the smoke drifting over large swathes of Singapore, Malaysia and Thailand.

Huang said the ionizer can alleviate the haze by giving air a fresher feel.

October sales of the ionizer are on track to be double September sales in Singapore due to the haze, and Huang predicts that the ionizer will account for 10-15% of Best World's total sales in 2006.

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**About Best World International Limited**

Best World International Limited is a company specializing in the development and distribution of quality health and lifestyle products for its regional direct selling members.

Through better understanding of consumer needs and driving product innovation specifically designed to address market demand, Best World has since developed many preferred brands like DR's Secret, Drs Seager, Optrimax, Avance, bwL, health supplements and equipments.

Leveraging on its success in Singapore, Best World has established a presence in Malaysia, Indonesia, Vietnam, Thailand, Taiwan, Brunei and Hong Kong.

For more information, please visit Best World's corporate website at [www.bestworld.com.sg](http://www.bestworld.com.sg)

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**Issued for and on behalf of Best World International Limited**

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