



## **BEST WORLD INTERNATIONAL LTD**

Financial Statements  
And Dividend Announcement  
For the year ended 31 December 2007

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR  
ENDED 31 DECEMBER 2007**

(Amounts expressed in Singapore dollars)

**1(a). An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Year ended 31.12.07 \$'000	Year ended 31.12.06 \$ '000	Change %
Revenue	102,180	77,114	32.5
Cost of Sales	<u>(24,319)</u>	<u>(17,219)</u>	41.2
Gross Profit	77,861	59,895	30.0
Other income	230	172	33.7
Financial income	360	456	(21.1)
Financial expense	(1,485)	(507)	192.9
Distribution costs	(40,985)	(30,820)	33.0
Administrative expenses	(17,784)	(13,326)	33.5
Other charges	<u>(885)</u>	<u>(253)</u>	249.8
<b>PROFIT BEFORE INCOME TAX</b>	17,312	15,617	10.9
Income tax expense	(4,699)	(3,110)	51.1
<b>PROFIT AFTER INCOME TAX</b>	<u><u>12,613</u></u>	<u><u>12,507</u></u>	0.8
Attributable to:			
Equity holders of the company	13,504	11,861	13.9
Minority interests	(891)	646	nm
	<u><u>12,613</u></u>	<u><u>12,507</u></u>	0.8

**Additional notes:**

Net profit margin	13.2%	15.4%
Earnings per share (cents)	6.55	5.75

## BALANCE SHEETS AS AT 31 DECEMBER 2007

(Amounts expressed in Singapore dollars)

1(b). (i) A balance sheet (for the Group and company), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.12.07 \$ '000	31.12.06 \$ '000	31.12.07 \$ '000	31.12.06 \$ '000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	35,437	21,712	13,283	11,627
Trade and other receivables	18,041	15,004	25,530	18,489
Inventories	5,569	5,179	4,253	4,228
Total current assets	<u>59,047</u>	<u>41,895</u>	<u>43,066</u>	<u>34,344</u>
<b>NON-CURRENT ASSETS</b>				
Product licenses	2,002	2,006	-	-
Investment in subsidiaries	-	-	11,049	3,122
Property, plant and equipment	9,182	8,313	4,468	3,962
Goodwill	357	320	-	-
Other intangible assets	510	242	203	215
Deferred tax assets	1	100	-	100
Total non-current assets	<u>12,052</u>	<u>10,981</u>	<u>15,720</u>	<u>7,399</u>
<b>TOTAL ASSETS</b>	<u><u>71,099</u></u>	<u><u>52,876</u></u>	<u><u>58,786</u></u>	<u><u>41,743</u></u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	17,479	10,368	5,485	3,675
Income tax payable	5,566	2,779	3,272	2,166
Current portion of long term borrowings	63	61	31	32
Current portion of finance leases	166	171	107	107
Total current liabilities	<u>23,274</u>	<u>13,379</u>	<u>8,895</u>	<u>5,980</u>
<b>NON-CURRENT LIABILITIES</b>				
Long term borrowings	950	1,008	393	427
Finance leases	486	679	326	432
Deferred tax liabilities	245	230	199	184
Total non-current liabilities	<u>1,681</u>	<u>1,917</u>	<u>918</u>	<u>1,043</u>
<b>Total liabilities</b>	<u>24,955</u>	<u>15,296</u>	<u>9,813</u>	<u>7,023</u>
<b>Equity attributable to equity holders of the parent:</b>				
Share capital	17,686	17,686	17,686	17,686
Other reserves	99	(140)	83	4
Retained earnings	<u>27,717</u>	<u>18,377</u>	<u>31,204</u>	<u>17,030</u>
	45,502	35,923	48,973	34,720
Minority interest	642	1,657	-	-
Total equity	<u>46,144</u>	<u>37,580</u>	<u>48,973</u>	<u>34,720</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>71,099</u></u>	<u><u>52,876</u></u>	<u><u>58,786</u></u>	<u><u>41,743</u></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 31.12.07		As at 31.12.06	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
229	-	232	-

#### Amount Repayable after One Year

As at 31.12.07		As at 31.12.06	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,436	-	1,687	-

#### Details of any collateral

The Group's bank loans are secured by (i) the legal mortgage of the company and subsidiaries' properties with net book value amounting to \$3.1 million and (ii) the joint and several guarantees from certain directors.

Plant and equipment with carrying value of \$0.9 million as at 31 December 2007 were acquired under finance lease arrangements. The obligations under finance leases are secured by the lessor's charge over the leased assets.

The Group has no unsecured borrowings.

## CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

(Amounts expressed in Singapore dollars)

### 1(c). A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Year ended 31.12.2007	Year ended 31.12.2006
	\$ '000	\$ '000
<b>Cash flows from operating activities</b>		
Profit for the year	12,613	12,507
Adjustments for:		
Income tax expense	4,699	3,110
Depreciation	1,618	1,002
Amortisation of intangible assets	41	38
Interest income	(361)	(456)
Interest expense	84	123
Plant and equipment written off	-	156
Loss on disposal of plant & equipment	29	64
Operating profit before working capital changes	<u>18,723</u>	<u>16,544</u>
Trade and other receivables	(2,420)	(4,982)
Inventories	(391)	(831)
Trade and other payables	<u>7,102</u>	<u>4,656</u>
Cash generated from operations	23,014	15,387
Income tax paid	<u>(2,413)</u>	<u>(2,863)</u>
Net cash from operating activities	<u>20,601</u>	<u>12,524</u>
<b>Cash flow from investing activities</b>		
Purchase of plant and equipment	(2,560)	(2,571)
Increase in intangibles assets	(309)	(128)
Decrease in other assets	-	(1,482)
Decrease in cash and cash equivalents (restricted in use)	594	2,799
Disposal of plant and equipment	-	144
Interest received	361	456
Net cash used in investing activities	<u>(1,914)</u>	<u>(782)</u>
<b>Cash flows from financing activities</b>		
Bonus issue expenses	(19)	-
Decrease in long-term borrowings	(56)	(294)
Decrease in finance lease	(200)	(880)
Dividends paid to minority interest	(391)	(261)
Dividends paid	(4,145)	(4,620)
Interest paid	(84)	(123)
Net cash used in financing activities	<u>(4,895)</u>	<u>(6,178)</u>
Net effect of exchange rate changes in consolidating foreign subsidiaries	527	(29)
Net increase in cash and cash equivalents	14,319	5,535
Cash and cash equivalents at beginning of year	19,400	13,892
Effect of foreign exchange rate adjustment	-	(27)
<b>Cash and cash equivalents at end of year</b>	<u>33,719</u>	<u>19,400</u>
Cash and bank balances	35,437	21,712
Less: Cash pledged	(1,718)	(2,312)
<b>Cash and cash equivalents at end of year</b>	<u>33,719</u>	<u>19,400</u>

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2007

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.

	Share capital	Share premium	Retained earnings	Foreign currency Translation reserves	Total Shareholders' equity	Minority interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Actual Group</b>							
Balance at 1 January 2006	4,950	12,736	11,136	(46)	28,776	1,290	30,066
Foreign currency translation differences (Net loss recognised directly in equity)	-	-	-	(94)	(94)	(18)	(112)
Profit for the period	-	-	11,861	-	11,861	646	12,507
<b>Total recognised income and expense for</b>	-	-	11,861	(94)	11,767	628	12,395
Dividends	-	-	(4,620)	-	(4,620)	-	(4,620)
Dividends paid by a subsidiary	-	-	-	-	-	(261)	(261)
Transfer from share premium to share capital	12,736	(12,736)	-	-	-	-	-
Balance at 31 December 2006	<u>17,686</u>	<u>-</u>	<u>18,377</u>	<u>(140)</u>	<u>35,923</u>	<u>1,657</u>	<u>37,580</u>
<b>Actual Group</b>							
Balance at 1 January 2007	17,686	-	18,377	(140)	35,923	1,657	37,580
Exchange differences on translating foreign operations recognised directly in equity	-	-	-	239	239	267	506
Profit for the period	-	-	13,504	-	13,504	(891)	12,613
<b>Total recognised income and expense for</b>	-	-	13,504	239	13,743	(624)	13,119
Dividends	-	-	(4,145)	-	(4,145)	-	(4,145)
Dividends paid by a subsidiary	-	-	-	-	-	(391)	(391)
Bonus issue expenses	-	-	(19)	-	(19)	-	(19)
Balance at 31 December 2007	<u>17,686</u>	<u>-</u>	<u>27,717</u>	<u>99</u>	<u>45,502</u>	<u>642</u>	<u>46,144</u>
<b>Company</b>							
Balance at 1 January 2006	4,950	12,736	9,656	-	27,342	-	-
Net profit for the period (Total recognised income for the year)	-	-	11,994	-	11,994	-	-
Foreign currency translation adjustment for Taiwan Branch	-	-	-	4	4	-	-
<b>Total recognised income and expense for</b>	-	-	11,994	4	11,998	-	-
Dividends	-	-	(4,620)	-	(4,620)	-	-
Transfer from share premium to share capital	12,736	(12,736)	-	-	-	-	-
Balance at 31 December 2006	<u>17,686</u>	<u>-</u>	<u>17,030</u>	<u>4</u>	<u>34,720</u>	<u>-</u>	<u>-</u>
<b>Company</b>							
Balance at 1 January 2007	17,686	-	17,030	4	34,720	-	-
Net profit for the period (Total recognised income for the year)	-	-	18,338	-	18,338	-	-
Foreign currency translation adjustment for Taiwan Branch	-	-	-	79	79	-	-
<b>Total recognised income and expense for</b>	-	-	18,338	79	18,417	-	-
Dividends	-	-	(4,145)	-	(4,145)	-	-
Bonus issue expenses	-	-	(19)	-	(19)	-	-
Balance at 31 December 2007	<u>17,686</u>	<u>-</u>	<u>31,204</u>	<u>83</u>	<u>48,973</u>	<u>-</u>	<u>-</u>

## NOTES TO FINANCIAL STATEMENTS ENDED 31 DECEMBER 2007

(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 .

	Number of shares	Issued and paid up share capital (\$'000)
Issued and fully paid up ordinary shares and balance as at 1 January 2007	165,000,000	17,686
Bonus shares issued on 3 October 2007	41,249,997	-
Issued and fully paid up ordinary shares and balance as at 31 December 2007	<u>206,249,997</u>	<u>17,686</u>

- (a) No options were granted and no new shares were issued pursuant to the Employee Share Option Scheme

- 1(d) (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.

	Group & Company	
	31.12.07	31.12.06
	No. of shares	No. of shares
Issued and fully paid up ordinary shares	<u>206,249,997</u>	<u>165,000,000</u>

- (a) There were no treasury shares as at 31 December 2007 and 2006.

- 1(d) (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.**

Except as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements as at 31 December 2006.

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 Group adopted all the applicable new and revised Financial Reporting Standards ("FRS") that are mandatory for financial years beginning on and after 1 January 2006. The adoption of the FRS does not have a material impact on the financial statements presented.



## 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		
	Year ended 31.12.07	Year ended 31.12.06	Changes %
Earnings per share of Group:			
(a) Based on weighted average number of ordinary shares on issue (cents); and	6.55	5.75	13.9%
(b) On a fully diluted basis (cents)	6.55	5.75	13.9%

For comparative purposes, the earnings per ordinary shares for the year ended 31 December 2007 and 31 December 2006 respectively are calculated based on the profit for the year of approximately \$13.5 million and \$11.9 million respectively.

To be on comparable basis as that for financial year 2007, the earnings per share for financial year ended 2006 has been adjusted to take into consideration the bonus issue.

## 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	
	31.12.07	31.12.06	31.12.07	31.12.06
Net asset value per ordinary shares (cents)	22.06	21.77	23.74	21.04

## 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 twelve months ended 31<sup>st</sup> December 2007, the Group benefited from broad based membership growth across all regions. Group revenue rose 32.5% to S\$102.2 million and gross profit grew almost in tandem by 30.0% to S\$77.9 million, as compared to the corresponding period for FY2006. Gross margin decreased slightly from 77.7% to 76.2% due to increased freight charges as revenue contribution from foreign markets increased.

The Group's results would have been better if not for the delayed delivery of products, which resulted in approximately S\$4.3 million in revenue and S\$0.3 million in net profit being reversed from the Group's FY2007 results. All delayed orders had since been fulfilled by 31<sup>st</sup> January 2008 and the revenue and profit will be booked in 1Q2008 instead.

Financial expenses increased from S\$0.5 million to S\$1.5 million mainly due to unrealized foreign exchange losses incurred by our Indonesian subsidiary as a result of the depreciating Indonesian Rupiah against Singapore Dollars.

Distribution expenses increased 33.0% to S\$41.0 million in line with revenue growth. Administrative expenses grew by S\$4.5 million from S\$13.3 million in FY2006 to S\$18.0 million in FY2007 partly due to the rental expenses of the new Changi headquarters and Hunan office and staff related cost, which were not recorded previously. Depreciation for fixed assets newly acquired fixed assets at the Changi headquarters was also a factor for the increase in expenses.

The Group's income tax rate increased from 19.9% to 27.1% due to a decrease in group profit before tax attributable to loss incurred by the Group's Indonesian subsidiary.

Overall, the Group achieved a full year net profit growth of 13.9% to \$13.5 million, as compared to \$11.9 million in FY2006. This also represents a net profit margin of 13.2% and earning per share of 6.55 cents.

## Revenue by Activities

Business Segment	Year ended 31.12.07 Revenue		Year ended 31.12.06 Revenue		Change
	\$'000	%	\$'000	%	%
Direct selling & sales through agencies	101,328	99.2	76,622	99.4	32.2
Retail	617	0.6	136	0.2	353.7
Export	235	0.2	356	0.4	(34.0)
<b>Total</b>	<b>102,180</b>	<b>100.0</b>	<b>77,114</b>	<b>100.0</b>	<b>32.5</b>

Direct selling & sales through agencies remains the Group's key distribution channel and accounted for 99.2% of total revenue.

Retail revenue, which comprises mainly of revenue contributed by the Group's operations in China, grew 353.7% to \$617,000 in FY2007 compared to FY2006.

Export contributions are minimized in line with the Group's efforts to focus on its core competency of direct selling and sales to agencies.

## Revenue by Geographical Locations

Geographical Locations	Year ended 31.12.07 Revenue		Year ended 31.12.06 Revenue		Change
	\$'000	%	\$'000	%	%
Singapore	19,702	19.3	24,037	31.2	(18.0)
Malaysia	25,912	25.3	32,369	42.0	(19.9)
Indonesia	45,946	45.0	17,550	22.7	161.8
Others	10,620	10.4	3,158	4.1	236.3
<b>Total</b>	<b>102,180</b>	<b>100.0</b>	<b>77,114</b>	<b>100.0</b>	<b>32.5</b>

Indonesia exhibited strong growth in the period under review, with revenue surging 161.8% to S\$45.9 million. It has since outpaced Singapore and Malaysia in becoming the top revenue contributor for FY2007. 11 new LCs were launched in 2007 bringing the total to 20 LCs in Indonesia.

Sales from Malaysia declined from S\$32.4 million to S\$25.9 million due to delays in product launches and delayed approval of health supplements registration. The mature Singapore market also saw sales decline by S\$4.3 million to S\$19.7 million. However, both markets still record healthy membership growth of approximately 20% each in the period under review.

Growth in the Group's other markets surged 236.3% to S\$10.6 million, with encouraging growth from Vietnam, Taiwan, Hong Kong markets. This is achieved on the back of a growing acceptance of the Group's product offerings and improved brand awareness, fuelled by effective membership and sales drives, reflective in the increased membership figures in these markets.

As of 31 December 2007, the Group operates a total of 75 LCs and 11 RCs. 21 new LCs have been added since FY2006, namely in Indonesia, Malaysia, Taiwan, Vietnam and Nigeria. The Changsha RC was established in May 2007 in Hunan, PRC and 5 Distribution Centres ("DC") have since been set up. These DCs are unique to the China market and replicate the LC models on a smaller scale. Overall membership figures grew 48.9% to 148,428 in FY2007.

### **Profitability**

Gross profit for FY2007 grew 30.0%, almost in tandem with revenue, from S\$59.9 million to S\$77.9 million vis-à-vis FY2006. Gross margin decreased slightly from 77.6% to 76.2% due to increased freight charges as revenue contribution from foreign markets increased.

### **Balance Sheet & Cash Flow**

Current assets increased by 40.9% to S\$59.0 million at 31 December 2007 as compared to S\$41.9 million at 31 December 2006 in line with revenue growth.

Inventories increased by 7.5% to S\$5.6 million as at 31 December 2007. Inventory turnover days improved from 110 days to 84 days, reflecting better inventory management.

Current liabilities increased from S\$13.4 million to S\$23.3 million as at 31 December 2007. This was largely due to an increase in payables from accruals from commissions at the end of the year and an increase in income tax payables. However, the Group's gearing ratio remains low at 3.6%.

The Group continues to generate strong net operating cash flow of S\$20.6 million versus S\$12.5 million previously. As at 31 December 2007, the Group has S\$33.7 million in cash and cash equivalents to fuel its growth.

## 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 Group's FY07 financial result is consistent with our 1H2007 result announcement on 6<sup>th</sup> August 2007.

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.**

Moving forward, management of the Group foresees that the following factors may affect our next reporting period and the next 12 months:

- Although costs of operation for the Hong Kong and Taiwan RC continues to increase, in view of the robust market conditions, management expects the 2 RCs to achieve breakeven for FY2008;
- Due to the stabilization of market sentiments in Thailand, a new Bangkok RC was set up. Other factors also include the expiry of the old lease agreement and the necessity to expand the facilities available in the RC. As such, management does not expect the Thailand RC to achieve breakeven for the next 12 months;
- The Group will continue to work on favourable M&A opportunities to develop its business into new growing markets.

Barring unforeseen circumstances, the Group expects to achieve better sales and net profit for FY2008 compared to FY2007.

## DIVIDENDS

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

The directors are pleased to recommend a final tax-exempt dividend of 1.2 cents per share in respect of the financial period ended 31.12.07 and a special tax-exempt dividend of 0.8 cents per share.

- (b) Date payable**

To be advised.

- (c) Books closure date**

To be advised.

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

Not applicable.

## PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL-YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

### Business Segments 2007

Revenue	<u>Direct selling &amp; sales through agencies</u>			<u>Retail</u>	<u>Export</u>	<u>Elimination</u>	<u>Total</u>
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
External sales and services	101,328	617	235	-			102,180
Inter-segment revenue	62,580	330		(62,910)			-
Total Revenue from operations	<u>163,908</u>	<u>947</u>	<u>235</u>	<u>(62,910)</u>			<u>102,180</u>
Segment results	20,771	(1,452)	3				19,322
Other charges	(85)	(800)					(885)
Financial income	360						360
Financial expenses	(1,485)						(1,485)
Profit before income tax	<u>19,561</u>	<u>(2,252)</u>	<u>3</u>	<u>-</u>			<u>17,312</u>
Income tax expenses							(4,699)
Profit after income tax							<u>12,613</u>
Other Information:							
Depreciation	1556	58	4				1,618
Amortisation	41	-	-				41
Property, plant and equipment additions - unallocated							2,565
Intangible assets and products licenses additions - unallocated							309
<u>Balance Sheet</u>							
Segment assets	25,950	1,124	47				27,121
Unallocated assets							43,978
Total Group assets							<u>71,099</u>
Segment Liabilities	16,326	1,125	28				17,479
Unallocated liabilities							7,476
Total Group liabilities							<u>24,955</u>

**Business Segments (Cont'd)**  
**2006**

Revenue	<b>Direct selling &amp; sales through</b>				<b>Total</b>
	<b>agencies</b>	<b>Retail</b>	<b>Export</b>	<b>Elimination</b>	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
External sales and services	76,622	136	356		77,114
Inter-segment revenue	32,292	42		(32,334)	-
Total Revenue from operations	<u>108,914</u>	<u>178</u>	<u>356</u>	<u>(32,334)</u>	<u>77,114</u>
Segment results	16,532	(646)	35		15,921
Other charges	(189)	(54)	(10)		(253)
Financial income					456
Financial expenses					(507)
Profit before income tax					<u>15,617</u>
Income tax expenses					(3,110)
Profit after income tax					<u><u>12,507</u></u>
Other Information:					
Depreciation	987	10	5		1,002
Amortisation	38	-	-		38
Property, plant and equipment additions - unallocated					3,509
Intangible assets and products licenses additions - unallocated					1,610
<b>Balance Sheet</b>					
Segment assets	25,082	129	94		25,305
Unallocated assets					27,571
Total Group assets					<u>52,876</u>
Segment Liabilities	10,278	50	50		10,378
Unallocated liabilities					4,918
Total Group liabilities					<u>15,296</u>

**Geographical Segments**

	<b>Revenue</b>	
	<b>2007</b>	<b>2006</b>
Singapore	19,702	24,037
Malaysia	25,912	32,369
Indonesia	45,946	17,550
Others	10,620	3,158
	<u>102,180</u>	<u>77,114</u>

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

As the Group continues to streamline its operations to focus on its core competency of Direct Selling, management is of the view that factors that may lead to changes to turnover & earnings in its different geographical segments are as follows:

- As mentioned in the Overview of Section 8, the S\$4.3 million revenue and S\$0.3 million net profit being reversed from the Group's FY2007 results due to delayed delivery had since been fulfilled and will be booked in 1Q2008 instead. As a result, 1Q2008 revenue and net profit would be higher compared to the corresponding period in FY2007;
- The Group entered into a Framework Agreement in December 2007 to acquire 51% of Nanjing Joymain Sci and Tech Development Co., Ltd ("Joymain"). The collaboration with Joymain is in furtherance of the Group's aim to establish our direct selling business in China. In connection with this plan, the Group is presently seeking legal advice and preparing the getting up work including applying for the requisite regulatory approvals;
- The Group aims to expand the territorial coverage of the Direct Selling license by including cities and towns where our DCs have been set up;
- The Group's new products rollout plan for 1Q2008 and 2Q2008 are on schedule;
- The Group will continue to build market share in our existing markets and enter new regional markets by setting up new RCs and LCs.

**15. A breakdown of sales**

	Group		
	2007 (\$'000)	2006 (\$'000)	% increase/ (decrease)
(a) Sales reported for the first half year	46,603	35,132	32.7
(b) Operating profit after tax before deducting minority interests reported for the first half year	6,798	5,979	13.7
(c) Sales reported for second half year	55,577	41,982	32.4
(d) Operating profit after tax before deducting minority interests reported for second half year	5,815	6,528	(10.9)



16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Type of dividend	2007 (\$'000)	2006 (\$'000)
Interim paid	2,000	1,980
Final (proposed)	2,475	2,145
Special (proposed)	1,650	-
<b>Total</b>	<b>6,125</b>	<b>4,125</b>

BY ORDER OF THE BOARD  
Dora Hoan Beng Mui  
Group C.E.O  
29/2/2008