



BEST WORLD INTERNATIONAL LTD

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

Financial Statements And Dividend Announcement For the 3 months ended 31 March 2009

**BEST WORLD INTERNATIONAL LIMITED
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2009**

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE THREE MONTHS ENDED 31 MARCH 2009

(Amounts expressed in Singapore dollars)

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

	3 months Ended 31.03.09 \$'000	3 months Ended 31.03.08 \$ '000	Change %
Revenue	18,976	25,495	(25.6)
Cost of Sales	<u>(4,611)</u>	<u>(6,005)</u>	(23.2)
Gross Profit	14,365	19,490	(26.3)
<u>Other Items of Income</u>			
Interest Income	60	101	(40.6)
Other Operating Income	51	74	(31.1)
<u>Other Items of Expenses</u>			
Distribution Costs	(7,549)	(10,544)	(28.4)
Administrative Expenses	(4,588)	(4,514)	1.6
Finance Costs	(1)	(21)	(95.2)
Other Credit (Charges), Net	<u>315</u>	<u>(1,225)</u>	NM
Profit Before Tax from Continuing Operations	2,653	3,361	(21.1)
Income Tax Expenses	<u>(640)</u>	<u>(1,045)</u>	(38.8)
Profit from Continuing Operations, Net of Tax	<u>2,013</u>	<u>2,316</u>	(13.1)
Profit Attributable to Equity holders of Parent, Net of Tax	2,003	2,271	(11.8)
Profit Attributable to Minority Interests, Net of Tax	10	45	(77.8)
	<u>2,013</u>	<u>2,316</u>	(13.1)
Additional notes:			
Gross Profit Margin	75.7%	76.4%	
Net Profit Margin	10.6%	8.9%	
Earnings Per Share (cents)	0.97	1.10	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE THREE MONTHS ENDED 31 MARCH 2009

Statement of Comprehensive Income for the Three Months Ended 31 March 2009 :

	Group	
	3 months Ended 31.03.09 \$'000	3 months Ended 31.03.08 \$ '000
Profit for the period	2,013	2,316
<u>Other comprehensive income (expenses)</u>		
Exchange differences on translating foreign operations	422	(98)
Other comprehensive income for the period, net of tax	<u>422</u>	<u>(98)</u>
Total comprehensive income for the period	<u><u>2,435</u></u>	<u><u>2,218</u></u>
Attributable to:		
Equity holders of the company	2,447	2,193
Minority interests	(12)	25
Total comprehensive income for the period	<u><u>2,435</u></u>	<u><u>2,218</u></u>

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

	Group	
	3 months Ended	
	31.03.09 \$'000	31.03.08 \$'000
Depreciation of property, plant and equipment	428	419
Amortisation of other intangible assets	31	59
Unrealized foreign exchange (gain) loss, net	(163)	370
Realized foreign exchange (gain) loss, net	(157)	785
Loss on disposal of property, plant and equipment	5	-
Interest income	(60)	(101)
Interest expense	1	21

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2009

(Amounts expressed in Singapore dollars)

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

	Group		Company	
	31.03.09	31.12.08	31.03.09	31.12.08
	\$ '000	\$ '000	\$ '000	\$ '000
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	7,986	8,265	3,861	4,092
Goodwill	357	357	-	-
Other Intangible Assets	2,158	2,022	262	201
Investment in Subsidiaries	-	-	9,246	9,195
Deferred Tax Assets	13	16	-	-
Other Receivables	-	-	3,480	3,480
Other Financial Assets	1,208	1,209	1,000	1,000
Total Non-Current Assets	<u>11,722</u>	<u>11,869</u>	<u>17,849</u>	<u>17,968</u>
CURRENT ASSETS				
Inventories	7,470	8,370	5,898	5,119
Trade and Other Receivables	12,737	11,043	19,050	24,120
Other Financial Assets	2,500	2,500	2,500	2,500
Other Assets	1,208	1,390	1,037	904
Cash and Cash Equivalents	34,068	30,610	22,732	18,126
Total Current Assets	<u>57,983</u>	<u>53,913</u>	<u>51,217</u>	<u>50,769</u>
TOTAL ASSETS	<u><u>69,705</u></u>	<u><u>65,782</u></u>	<u><u>69,066</u></u>	<u><u>68,737</u></u>
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	17,686	17,686	17,686	17,686
Retained Earnings	33,073	31,070	39,395	38,446
Other Reserves	1,200	756	-	-
Equity, Attributable to Equity-Holders of the Parent	<u>51,959</u>	<u>49,512</u>	<u>57,081</u>	<u>56,132</u>
Minority Interests	202	340	-	-
Total Equity	<u>52,161</u>	<u>49,852</u>	<u>57,081</u>	<u>56,132</u>
NON-CURRENT LIABILITIES				
Deferred Tax Liabilities	280	279	233	233
Finance Leases	14	15	14	15
Total Non-Current Liabilities	<u>294</u>	<u>294</u>	<u>247</u>	<u>248</u>
CURRENT LIABILITIES				
Income Tax Payable	2,991	2,833	2,700	3,031
Trade and Other Payables	14,253	12,796	9,032	9,319
Finance Leases	6	7	6	7
Total Current Liabilities	<u>17,250</u>	<u>15,636</u>	<u>11,738</u>	<u>12,357</u>
Total Liabilities	<u>17,544</u>	<u>15,930</u>	<u>11,985</u>	<u>12,605</u>
TOTAL EQUITY AND LIABILITIES	<u><u>69,705</u></u>	<u><u>65,782</u></u>	<u><u>69,066</u></u>	<u><u>68,737</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 31.03.09		As at 31.12.08	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
6	-	7	-

Amount Repayable after One Year

As at 31.03.09		As at 31.12.08	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
14	-	15	-

Details of any collateral

Plant and equipment with carrying value of \$17,000 as at the balance sheet date (31 December 2008: \$19,000) were acquired under finance lease arrangements. The obligations under finance leases are secured by the lessor's charge over the leased assets.

Certain leasehold land and property of a subsidiary at carrying value of \$602,000 (31 December 2008: \$606,000) are mortgaged to bank to secure bank facilities granted by the bank.

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

The Group has no unsecured borrowings as at 31 March 2009.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THREE MONTHS ENDED 31 MARCH 2009

(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	
	3 Months Ended 31.03.09	3 Months Ended 31.03.09
	\$ '000	\$ '000
Cash flows from Operating Activities:		
Profit before Taxation	2,653	3,361
Depreciation of Property, Plant and Equipment	428	419
Amortisation of Other Intangible Assets	31	59
Interest Income	(60)	(101)
Interest Expense	1	21
Loss on Disposal of Property, Plant and Equipment	5	-
Operating Cash Flows before Changes in Working Capital	3,058	3,759
Inventories	900	(1,372)
Trade and Other Receivables	(1,572)	6,411
Other Assets	182	(286)
Trade and Other Payables	1,457	(8,427)
Net Cash Flows from Operations before Interest and Tax	4,025	85
Income Tax Paid	(603)	(1,700)
Net Cash Flows from (Used in) Operating Activities	3,422	(1,615)
Cash flows from Investing Activities:		
Purchase of Property, Plant and Equipment	(110)	(168)
Increase in Other Intangibles Assets	(71)	-
Interest Received	60	101
Net Cash Flows Used in Investing Activities	(121)	(67)
Cash flows from Financing Activities:		
Decrease in Long-term Borrowings	-	(13)
Decrease in Finance Leases	(2)	(41)
Dividends paid to Minority Interests	(126)	-
Interest paid	(1)	(21)
Net Cash Flows Used in Financing Activities	(129)	(75)
Net Effect of Exchange Rate Changes in Consolidating Foreign Subsidiaries	286	89
Net Increase (Decrease) in Cash and Cash Equivalents	3,458	(1,668)
Cash and Cash Equivalents, Cash Flow Statement, Beginning Balance	28,851	33,605
Cash and Cash Equivalents, Cash Flow Statement, Ending Balance Note A	32,309	31,937
Note A :		
	Group	
	3 Months Ended 31.03.09	3 Months Ended 31.03.09
	\$ '000	\$ '000
Cash and bank balances	34,068	33,655
Less: Cash pledged	(1,759)	(1,718)
Cash and Cash Equivalents in the Consolidated Cash Flow Statement	32,309	31,937

STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MAR 2009

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.

	<u>Share Capital</u> \$ '000	<u>Currency translation reserves</u> \$ '000	<u>Retained earnings</u> \$ '000	<u>Parent Sub-total</u> \$ '000	<u>Minority interests</u> \$ '000	<u>Total equity</u> \$ '000
Group						
Balance at 1 January 2009	17,686	756	31,070	49,512	340	49,852
<u>Changes in equity for the period</u>						
Dividends to Minority Interest	-	-	-	-	(126)	(126)
Total comprehensive income (expenses) for the period	-	444	2,003	2,447	(12)	2,435
Balance at 31 March 2009	<u>17,686</u>	<u>1,200</u>	<u>33,073</u>	<u>51,959</u>	<u>202</u>	<u>52,161</u>
Balance at 1 January 2008	17,686	99	27,717	45,502	642	46,144
Prior Year adjustment [#]	-	-	(673)	(673)	-	(673)
Balance at 1 January 2008 as restated	17,686	99	27,044	44,829	642	45,471
<u>Changes in equity for the period</u>						
Total comprehensive income (expenses) for the period	-	(78)	2,271	2,193	25	2,218
Balance at 31 March 2008 as restated	<u>17,686</u>	<u>21</u>	<u>29,315</u>	<u>47,022</u>	<u>667</u>	<u>47,689</u>
			<u>Share Capital</u> \$ '000	<u>Currency translation reserves</u> \$ '000	<u>Retained earnings</u> \$ '000	<u>Total equity</u> \$ '000
Company						
Balance at 1 January 2009			17,686	-	38,446	56,132
<u>Changes in equity for the period</u>						
Total comprehensive income for the period			-	-	949	949
Balance as at 31 March 2009			<u>17,686</u>	<u>-</u>	<u>39,395</u>	<u>57,081</u>
Balance at 1 January 2008			17,686	83	31,204	48,973
<u>Changes in equity for the period</u>						
Total comprehensive income (expenses) for the period			-	(31)	4,751	4,720
Balance as at 31 March 2008			<u>17,686</u>	<u>52</u>	<u>35,955</u>	<u>53,693</u>

[#]The financial statements for year 2007 has been restated due to the additional GST payables for a subsidiary arising as a result of lower rebates allowed to be claimed for GST purposes for the financial year 2002 to 2007. This is due to the difference in interpretation of rebates given to distributors. The restatements have been adjusted against the opening balances of Group's retained earnings at 1 January 2008.

NOTES TO FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2009

(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.

	<u>Group and Company</u>	
	<u>31.03.09</u>	<u>31.12.08</u>
	(\$'000)	(\$'000)
Issued and fully paid up		
206,249,997 ordinary shares	<u>17,686</u>	<u>17,686</u>

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.

	<u>Group and Company</u>	
	<u>31.03.09</u>	<u>31.12.08</u>
	No. of shares	No. of shares
Issued and fully paid up ordinary shares	<u>206,249,997</u>	<u>206,249,997</u>

There were no treasury shares as at 31 March 2009 and 31 December 2008.

- (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 reporting period compared with those of the audited financial statements as at 31 December 2008.

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.

There are no changes in the accounting policies and methods of computation.

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 31.03.09	3 months ended 31.03.08	Change %
Earnings per share of Group: (a) Based on weighted average number of ordinary shares on issue (cents); and	0.97	1.10	(11.8)
(b) On a fully diluted basis (cents)	0.97	1.10	(11.8)

For comparative purposes, the earnings per ordinary shares for the 3 months period ended 31 March 2009 and 31 March 2008 are calculated based on the profit for the period of approximately \$2.0 million and \$2.3 million respectively.

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	
	31.03.09	31.12.08	31.03.09	31.12.08
Net asset value per ordinary shares (cents)	25.19	24.01	27.68	27.22

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

In line with managements' expectation, all markets that the Group operates in continue to be very challenging. Revenue for 1Q2009 decreased 25.6% from \$25.5 million to \$19.0 million compared to the same period last year. Despite the first quarter being the weakest quarter of the year due to the seasonal nature of the business, the Chinese New Year holidays and a short February, revenue generated in 1Q2009 was slightly higher than that of \$18.3 million for 4Q2008, representing a 3.6% increase.

Cost of sales decreased proportionately with revenue, down 23.2% from \$6.0 million to \$4.6 million as compared to the corresponding period for FY2008, representing a stable gross profit margin of 75.7%.

Distribution costs, comprising mainly commissions and other marketing & sales related expenses, declined 28.4% in tandem with revenue, from \$10.5 million in 1Q2008 to \$7.5 million in 1Q2009.

As a result of the cost management measures, administrative expenses remained relatively stable at \$4.6 million, as compared to \$4.5 million for the corresponding period last year.

Other credits, mainly attributable to both realized and unrealized exchange gains, were due to the strengthening of local currencies in some of our regional markets against the Singapore dollar.

Lower tax expenses were recorded for 1Q2009 due to non-taxable profit resulting from Group consolidation as well as the lowering of statutory tax rate from 18% to 17% for our Singapore operations. Effective tax rate for 1Q2009 was 24.1% as compared to 31.1% for the corresponding period in 2008.

Despite a 11.8% decline in profit attributable to equity holders from \$2.3 million to \$2.0 million compared to the same period for FY2008, profit margin improved to 10.6% vis-à-vis the same period last year.

Revenue by Business Segments

For Quarter: 1Q2009 Vs 1Q2008

Business Segment	3 months ended 31.03.09 Revenue		3 months ended 31.03.08 Revenue		Change %
	\$'000	%	\$'000	%	
Direct selling & sales through agencies	18,400	97.0	25,090	98.4	(26.7)
Retail	527	2.8	360	1.4	46.4
Export	49	0.2	45	0.2	8.8
Total	18,976	100.0	25,495	100.0	(25.6)

The Group's direct selling segment declined 26.7% quarter-on-quarter to \$18.4 million in 1Q2009. Vis-à-vis 1Q2008 and 1Q2009, consumers were generally more cautious with their expenditure which is in line with the general market sentiments. This is especially so in Singapore and Malaysia.

However, compared against 4Q2008, revenue generated by direct selling increased 5.0% to \$18.4 million. The 1Q2009 direct selling revenue was achieved against a 3.9% increase in members from 189,742 as of 31 December 2008 to 197,172 as of 31 March 2009, and number of Lifestyle Centres remained at 92.

Revenue from the retail segment generated by the Group's China subsidiary grew by 46.4% in 1Q2009 when compared to the corresponding period in 2008. As of 31 March 2009, there are 18 Distribution Centres in China.

Revenue by Geographical Locations

For Quarter: 1Q2009 Vs 1Q2008

Geographical Locations	3 months ended 31.03.09 Revenue		3 months ended 31.03.08 Revenue		Change
	\$'000	%	\$'000	%	%
Singapore	3,142	16.6	4,323	17.0	(27.3)
Malaysia	1,924	10.1	5,860	23.0	(67.2)
Indonesia	9,922	52.3	12,427	48.7	(20.2)
Others	3,988	21.0	2,885	11.3	38.2
Total	18,976	100.0	25,495	100.0	(25.6)

The markets of Singapore and Malaysia, due to its large make up of middle-income segment, continued to be subdued due to the negative impact of the global economic crisis.

Revenue contribution from Indonesia for 1Q2009, on the other hand, would have increased 22.1% instead of declining 20.2% to \$9.9 million quarter-on-quarter if not for the booking of \$4.3 million dollars from 4Q2007 to 1Q2008 due to delayed delivery of products then.

Markets in the Others segment exhibited overall growth of 38.2% as compared to the corresponding period in 2008 to \$4.0 million. The growth was mainly attributable to increasing demand in our Indochina markets.

Balance Sheet and Cash Flow

Non-current assets decreased marginally from \$11.9 million to \$11.7 million as a result of depreciation of property, plant and equipment.

Current assets increased by 7.5% to S\$58.0 million as at 31 March 2009 compared to S\$53.9 million as at 31 December 2008 mainly due to the increase in cash and cash equivalents as a result of higher net cash flow generated from operations.

Trade and other payables increased from \$12.8 million to \$14.3 million as a result of increase in payables to suppliers relating to purchases in March 2009. As a result, total liabilities increased from \$15.9 million to \$17.5 million.

As at 31 March 2009, the Group maintained a strong balance sheet and working capital position with approximately \$34.1 million in cash & cash equivalents and no borrowings.

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.

There was no forecast made for 2009.

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.

The Group will continue to focus on activities to strengthen our business. These activities include:

- Implement stronger control measures and procedures to achieve better operation efficiency and cost management;
- Increase awareness of existing product and continue to launch new products;
- Increase brand awareness;
- Promote campaigns to drive more new membership;
- Increase market penetration in existing markets via expansion of the Group's Lifestyle Centres and Distribution Centres;
- Implement training programs for members and staff; and
- Establish new markets.

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

- The markets that the Group operate in remain very subdued and current outlook does not suggest that consumer market will recover strongly in FY2009, resulting in further weak demand for the Group's products, which may not be considered as necessities;
- The Group is subject to foreign exchange risk as procurements and sales are mostly conducted in foreign currencies;
- As more than 80% of the Group's revenue is generated in foreign markets, there is the likelihood that changes in the business environment of a country may adversely affect revenue, operating profits or the asset value in the specific country, e.g. regulatory changes pertaining to products relevant to the Group, financial factors such as currency controls, devaluation and regulatory changes.

DIVIDENDS

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

None

(ii) **Corresponding Period of the immediately Preceding Financial Year**

Not applicable

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

Not applicable

(c) **Books closure dates for dividend and bonus issue**

Not applicable

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

No dividend has been recommended or declared for the quarter ended 31 March 2009.

13. **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 three months ended 31 March 2009 to be false or misleading.

On behalf of the Board of Directors

Dr. Dora Hoan Beng Mui
Group CEO

Dr. Doreen Tan Nee Moi
Chairman

11th May, 2009