

	Percentages increase (decrease) from the prior year					
	Year ended March 31,					
	2007			2008		
	Unit volume	Selling prices	Overall increase / (decrease)	Unit volume	Selling prices	Overall increase / (decrease)
Shining Essence Capsules	21%	-%	21%	-5%	12%	6%
Shining Signal Capsules	60%	-2%	57%	-6%	2%	-4%
Shining Golden Shield Capsules	40%	-%	40%	37%	34%	84%
Shining Energy Capsules	72%	-%	72%	45%	16%	68%
Shining Essence Stomach Protection Capsules	-%	-%	-%	100%	100%	100%
Shining Probiotics Protein Powder	-%	-%	-%	100%	100%	100%
Other products	3,600%	-%	3,600%	685%	-51%	285%

Cost of sales

Cost of sales for the year ended March 31, 2008 was \$12,310,092 compared with \$8,910,633 for the year ended March 31, 2007. The increase in cost of sales was primarily caused by increased sales volume.

Unit volume and unit costs comparatives for the year ended March 31, 2007 and 2008 are summarized below. The increase in unit costs of Golden Shield and Energy capsules primarily reflect changes in sales mix with more sales of packages with higher unit costs.

	Percentages increase (decrease) from the prior year					
	Year ended March 31,					
	2007			2008		
	Unit volume	Unit costs	Overall increase / (decrease)	Unit volume	Unit costs	Overall increase / (decrease)
Shining Essence Capsules	21%	0%	21%	-5%	3%	-2%
Shining Signal Capsules	60%	-4%	54%	-6%	-2%	-8%
Shining Golden Shield Capsules	40%	-4%	34%	37%	17%	60%
Shining Energy Capsules	72%	-3%	67%	45%	25%	81%
Shining Essence Stomach Protection Capsules	-%	-%	-%	100%	100%	100%
Shining Probiotics Protein Powder	-%	-%	-%	100%	100%	100%
Other products	3,600%	0%	3,600%	685%	0%	685%

Gross profit

Gross profit increased by \$8,311,711 from \$21,699,308 for the 2007 fiscal year to \$30,011,019 for the 2008 fiscal year. This represents a 38.3% increase, which reflects primarily increases in sales volume. Our gross profit margin remained the same as last year at 70.9%. In the fourth quarter of fiscal year 2008, the cost of packaging increased significantly due to increases in pulp and paper costs which reduced our gross profit margin for the fourth quarter to 66.6% from 73.3% in the third quarter. Management is taking action to bring down the packaging costs going forward.

Selling expenses

Selling expenses were \$6,869,109 or 16.2% of net sales for the fiscal year ended March 31, 2008 compared with \$4,502,687 or 14.7% of net sales for the fiscal year ended March 31, 2007. The operating costs of the retail stores are included as selling expenses. This increase in selling expenses was primarily caused by the roll out of retail stores. As of March 31, 2008, we had a total of 60 retail stores in operation (as of March 31, 2007, we had 9 retail stores).

General and administrative expenses

General and administrative expenses were \$4,826,473 or 11.4% of net sales for the year ended March 31, 2008 compared with 2,265,220 or 7.4% of net sales for the year ended March 31, 2007. The increase in general and administrative expenses was due to additional research costs of \$1,696,657 related to the development and launching of new products, and staff and administrative costs incurred in connection with the construction of the new plant.