



OGAWA WORLD BERHAD^[712499-V]
No. 22, JALAN ANGGERIK MOKARA 31/47
KOTA KEMUNING, 40460 SHAH ALAM
SELANGOR DARUL EHSAN
MALAYSIA
T +603-5121 4286
F +603-5121 4386

www.ogawaworld.net



CROSSING BOUNDARIES WITH A PASSION FOR HEALTHY LIVING ✓

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TWO HUNDRED RINGGIT ONLY



Exclusive Voucher

RM2000

This voucher can only be used for OGAWA products priced from RM2,000 and above.

Expiry date : 31 Dec 2010

TWO HUNDRED RINGGIT ONLY



Exclusive Voucher

RM2000

This voucher can only be used for OGAWA products priced from RM2,000 and above.

Expiry date : 31 Dec 2010

ONE HUNDRED RINGGIT ONLY



Exclusive Voucher

RM1000

This voucher can only be used for OGAWA products priced from RM1,000 and above.

Expiry date : 31 Dec 2010



Terms and Conditions :

- 1) This voucher can only be used in all OGAWA outlets in Malaysia for OGAWA products priced from RM2,000 and above.
- 2) This voucher cannot be used along with other ongoing promotion, offer or discount.
- 3) Please present original voucher upon point of purchase.
- 4) Voucher is non-refundable or exchangeable for cash in part or whole.
- 5) One voucher is only valid for one transaction.
- 6) Multiple vouchers cannot be used together for one transaction.
- 7) This voucher is valid until 31 December 2010 only.

A GIFT TO YOU



Terms and Conditions :

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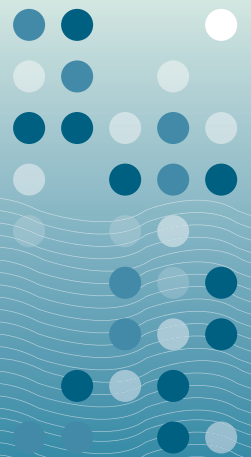
A GIFT TO YOU



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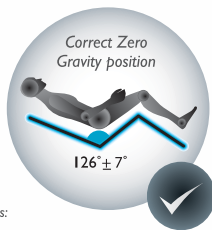
A GIFT TO YOU



Relax your stress away in Zero Gravity

The Zero Gravity Position

Zero Gravity does not mean to defy gravity. It refers to the position which Ogawa SmartAire assumes when activated. The Zero Gravity position was conceived by the scientists and doctors at NASA (National Aeronautics and Space Administration). Astronauts recline with their feet higher than their heart with a torso to leg angle of 126 degrees +/- 7 degrees.



Incorrect Zero Gravity positions:



In this position, gravity is neutralized and the body is relieved of the pressure of gravity, the spine is allowed to decompress, full body muscle tension is relieved, lung capacity is expanded and blood circulation is improved. This provides overall stress relief.

Did you know that gravity can have a profound effect on your body? For instance, your lower back has to put up with 100 lbs of pressure when standing, and a whopping 150 lbs when seated.

Gravity creates pressure and stress on muscles, bones, joints and ligaments, especially the spine, which can be agonizing if you have back pain problem. Gravity also puts stress on the heart and blood circulation system. Our heart needs to work against gravity to pump blood up to the brain, which needs the most oxygen.

The long-term effect of gravity can be seen in the way average people lose up to 2 inches in height by their senior years. This spinal compression and imbalances can also result in problems with joints, muscles, posture and repetitive stress injuries.

If you have swollen feet, varicose veins or an aching back, chances are you may be a victim of the compressive force of gravity. But the good news is, you can now leave the pressure of gravity behind with Ogawa SmartAire Zero Gravity Massage Chair.

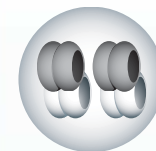
Why put up with pain when you can simply relax away the stress and pressure. Isn't it time you start taking good care of yourself and the ones you love with the therapeutic massage experience of Ogawa SmartAire Zero Gravity Massage Chair?

Truly Ergonomic S-track

Ogawa SmartAire is the first to incorporate the Zero Gravity position, which relieves the body from the stress of gravity to achieve more effective results. Unlike others, Ogawa SmartAire is ergonomically designed to follow the S-curve of our spine to better support the neck and lumbar area. This allows the massage rollers to stay in close contact with our back to increase the effects and benefits of massage.



Comprehensive Human Hand-like Massage



Ogawa SmartAire uses extra soft dual thumb wheel rollers to mimic the feel of the human thumb. These rollers cover the entire back area to create a deep penetrating massage.



SMARTAIRE

ZERO GRAVITY MASSAGE CHAIR

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of the Company will be convened and held at Danau 1-2 Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Tuesday, 24 November 2009 at 9.30 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2009 together with the Directors' and Auditors' Reports thereon.
2. To approve the increase of Directors' fees from RM114,000.00 for the financial year ended 30 June 2008 to RM156,000.00 for the financial year ended 30 June 2009 and the payment thereof.
3. To re-elect the following Directors who are retiring pursuant to Article 92 of the Articles of Association of the Company:
 - (i) Mr Chong Swee Main
 - (ii) Mr Cheah Yew Kong
 - (iii) Mr Lim Wai Heng
4. To re-appoint the Auditors, Messrs Deloitte KassimChan and to authorise the Directors to fix their remuneration.

As Special Business

To consider and, if thought fit, to pass the following resolution:

5. Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares

"That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue."

BY ORDER OF THE BOARD
TAI YIT CHAN (MAICSA 7009143)
LIEW IRENE (MAICSA 7022609)
Company Secretaries

Selangor Darul Ehsan
2 November 2009

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3
Ordinary Resolution 4
Ordinary Resolution 5

Ordinary Resolution 6

Ordinary Resolution 7

NOTICE OF ANNUAL GENERAL MEETING

(continued)

NOTES :

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149 (1) (b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account held by it with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member appoints two (2) proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointments shall be invalid.
4. The instrument appointing a proxy shall be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, under its Common Seal or signed by an officer or attorney so authorised.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney must be deposited at Tricor Investor Services Sdn Bhd of Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

EXPLANATORY NOTES ON SPECIAL BUSINESS

6. Ordinary Resolution 7

- Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares

This Ordinary Resolution 7 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965 and if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting. As at the date of this notice, no new shares were issued pursuant to the existing mandate granted at the Third Annual General Meeting held on 25 November 2008. At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect of the purpose and utilisation of proceeds arising from such issue.

GROUP FINANCIAL HIGHLIGHTS

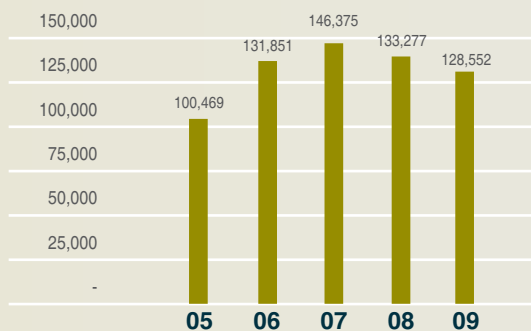
	← (Proforma**) →		(Actual) 2007 RM'000	(Actual) 2008 RM'000	(Actual) 2009 RM'000
	FYE 2005 RM'000	FYE 2006 RM'000			
REVENUE	100,469	131,851	146,375	133,277	128,552
PROFIT/(LOSS) BEFORE TAX	13,245	17,425	22,241	(8,556)	(11,179)
NET PROFIT/(LOSS)	9,295	11,502	15,284	(8,427)	(12,431)
NUMBER OF SHARES IN ISSUE ('000)	*120,000	*120,000	120,000	120,000	120,000
NET EPS (SEN)	7.75	9.56	18.46	-6.98	-10.36
P/E (x) ***	12.9	10.5	5.4	-2.9	-2.3
PBT MARGIN (%)	13.2	13.2	15.2	-6.4	-8.7

* For financial year 2005-2006, we assume enlarged share capital of 120m

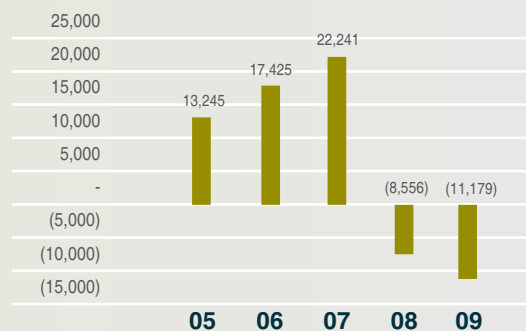
** Proforma consolidated results prepared for illustrative purposes only on the assumption that the existing group structure had been in existence throughout these financial years under review.

*** Based on price of RM1.00 for financial year 2005-2006, RM0.20 for financial year 2008 and RM0.24 for financial year 2009

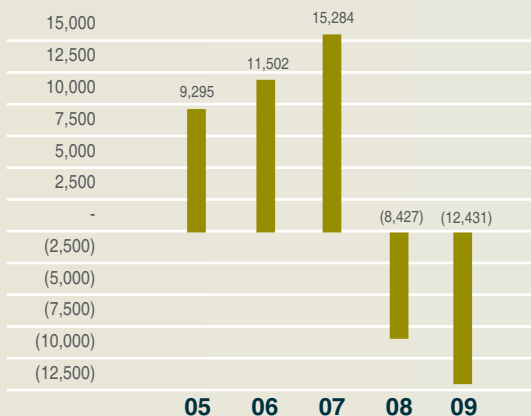
REVENUE RM'000



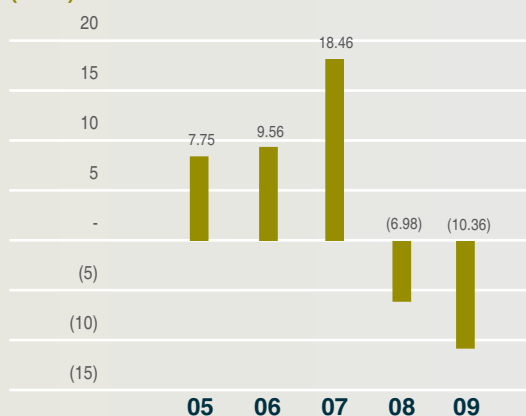
PROFIT BEFORE TAX RM'000



NET PROFIT RM'000



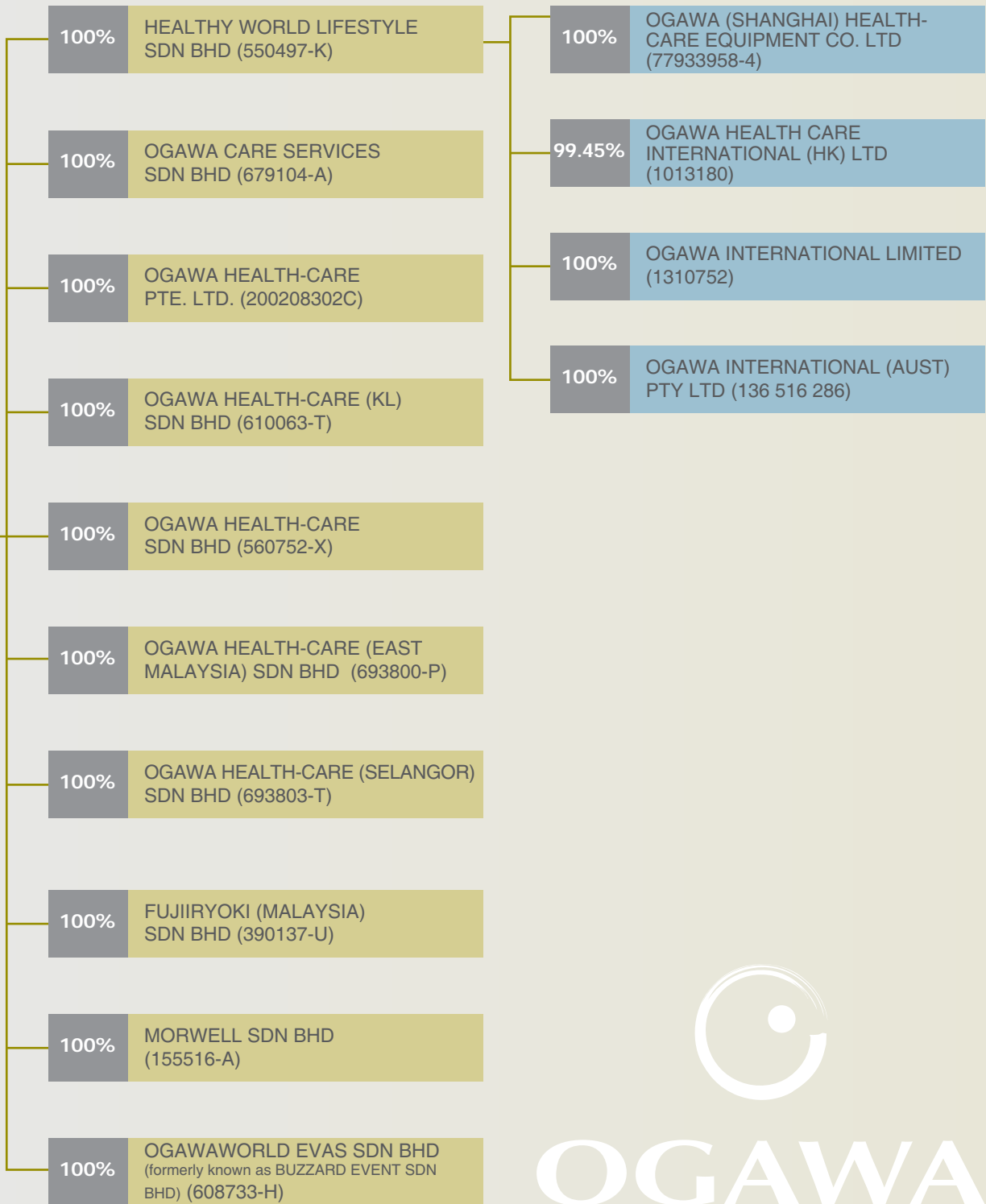
NET EPS (SEN)



2009

CORPORATE STRUCTURE

OGAWA WORLD BERHAD



OGAWA

2009

CORPORATE INFORMATION

BOARD OF DIRECTORS

WONG LEE KEONG
Executive Chairman

LIM POH KHIAN
Deputy Executive Chairperson

LIM MEE LING
Executive Director

CHEAH YEW KONG
Executive Director

CHONG SWEE MAIN
Executive Director

LIM WAI HENG
Executive Director

Y.T.M. RAJA DATO SERI AZUREEN
BINTI SULTAN AZLAN SHAH
Independent Non-Executive Director

DR. AHMAD KAMAL BIN MD ALIF
Independent Non-Executive Director

LEONG KHAI CHEONG
Senior Independent Non-Executive Director

AUDIT COMMITTEE

LEONG KHAI CHEONG
Senior Independent Non-Executive Director

Y.T.M. RAJA DATO SERI AZUREEN
BINTI SULTAN AZLAN SHAH
Independent Non-Executive Director

DR. AHMAD KAMAL BIN MD ALIF
Independent Non-Executive Director

REMUNERATION COMMITTEE

WONG LEE KEONG
Executive Chairman

LEONG KHAI CHEONG
Senior Independent Non-Executive Director

DR. AHMAD KAMAL BIN MD ALIF
Independent Non-Executive Director

NOMINATION COMMITTEE

WONG LEE KEONG
Executive Chairman

LEONG KHAI CHEONG
Senior Independent Non-Executive Director

DR. AHMAD KAMAL BIN MD ALIF
Independent Non-Executive Director

COMPANY SECRETARIES

TAI YIT CHAN (MAICSA 7009143)
LIEW IRENE (MAICSA 7022609)

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower,
8, First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor
Tel: +603 7720 1188
Fax: +603 7720 1111

REGISTRAR

TRICOR INVESTOR SERVICES
SDN BHD
Level 17, The Gardens North Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel: +603 2264 3883
Fax: +603 2282 1886

PRINCIPAL BANKER

HONG LEONG BANK BERHAD
29, Jalan Anggerik Vanilla N31/N,
40460 Kota Kemuning, Shah Alam,
Selangor
Tel: +603 5123 0898
Fax: +603 5123 1635

AUDITORS

DELOITTE KASSIMCHAN
Level 19, Uptown 1,
Damansara Uptown,
1, Jalan SS21/58,
47400 Petaling Jaya,
Selangor
Tel: +603 7723 6500
Fax: +603 7726 3986

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad

PROFILE OF OUR DIRECTORS



Left To Right

- LEONG KHAI CHEONG • Y.T.M. RAJA DATO SERI AZUREEN BINTI SULTAN AZLAN SHAH • CHONG SWEE MAIN
- WONG LEE KEONG • LIM MEE LING • LIM POH KHIAN • CHEAH YEW KONG • LIM WAI HENG
- DR. AHMAD KAMAL BIN MD ALIF

PROFILE OF OUR DIRECTORS

Wong Lee Keong

Mr. Wong Lee Keong, aged 57, a Malaysian, is one of the co-founders of the Ogawa Group of Companies (“the Group”). He was appointed as the Executive Chairman of Ogawa World Berhad (“OWB”) on 4 January 2007. He is also an Executive Director of the subsidiary companies within the Group and also the Chairman of the Nomination and Remuneration Committees.

Mr. Wong has more than 31 years of experience in the wholesale and retail business in Malaysia and is the driving force behind the development, growth and expansion of the Group. He has transformed OGAWA into a leading Malaysian brand in the local health and wellness equipment market.

Mr. Wong is currently responsible for setting the directions of the Group’s business strategies and market expansion plans. In view of Mr Wong’s extensive experience in this business, he also contributes actively to the product design and development activities of the Group.

He does not have any family relationships with any director and/or major shareholder of the Group, nor any conflict of interest in any business arrangement involving the Company.

Mr. Wong has no other directorship in any public companies. He has not been convicted of any offences within the past 10 years.

Lim Poh Khian

Ms. Lim Poh Khian, aged 51, a Malaysian, is one of the co-founders of the Ogawa Group. She was appointed as the Deputy Executive Chairperson of OWB on 4 January 2007. She is also an Executive Director of subsidiary companies within the Group.

Ms. Lim has more than 29 years of experience in the sales and marketing of household and health care products in Malaysia, specialising in the health and wellness equipment sector.

Ms. Lim is currently responsible for overseeing the day-to-day management of the Group’s operations. She is also involved in business development, market expansion and marketing strategies of the Group.

She does not have any family relationships with any director and/or major shareholder of the Group, nor any conflict of interest in any business arrangement involving the Company.

Ms. Lim has no other directorship in any public companies. She has not been convicted of any offences within the past 10 years.

Lim Mee Ling

Ms. Lim Mee Ling, aged 43, a Malaysian, was appointed as Executive Director of OWB on 4 January 2007 and currently heads the Marketing Division of the Group. She is also an Executive Director of some subsidiary companies within the Group.

Ms. Lim holds a Masters in Business Administration degree. She joined the Group in 1996 as the manager of its first retail outlet. In 2001, she was promoted as the Executive Director responsible for the formulation and implementation of marketing strategies for both local and overseas markets and public relations for the Group.

She is the sister of Mr. Lim Wai Heng as well as the sister-in-law of Mr. Chong Swee Main, both Executive Directors and major shareholders of OWB. She has no conflict of interest in any business arrangement involving the Company.

Ms Lim has no other directorship in any public companies. She has not been convicted of any offences within the past 10 years.

PROFILE OF OUR DIRECTORS

(continued)

Cheah Yew Kong

Mr. Cheah Yew Kong, aged 37, a Malaysian, currently heads the Product Design and Development Division of the Group as well as the Country Head of China and Hong Kong operations. He was appointed to the board as Executive Director of OWB on 4 January 2007. He is also an Executive Director of some subsidiary companies within the Group.

Mr. Cheah holds a Diploma in Graphic Design and has more than 13 years of experience in advertising, marketing and graphic design. He joined the Group in 2001 to manage the product design and development, product quality assurance and service quality assurance of the Group.

He does not have any family relationships with any director and/or major shareholder of the Group, nor any conflict of interest in any business arrangement involving the Company.

Mr. Cheah has no other directorship in any public companies. He has not been convicted of any offences within the past 10 years.

Chong Swee Main

Mr. Chong Swee Main, aged 36, a Malaysian, currently heads the Business Development Division of the Group and manages the Group's overseas market expansion activities, as well as Country Head of Australia operations. He was appointed to the board as Executive Director of OWB on 4 January 2007. He is also an Executive Director of some subsidiary companies within the Group.

Mr. Chong holds a Diploma in Business Administration and has more than 14 years of sales and marketing experience in health care products. He joined the Ogawa Group in 2001 as the Executive Director responsible for the Group's Sales Division.

He is the brother-in-law of Ms. Lim Mee Ling as well as the brother-in-law of Mr. Lim Wai Heng, both Executive Directors and major shareholders of OWB. He has no conflict of interest in any business arrangement involving the Company.

Mr. Chong has no other directorship in any public companies. He has not been convicted of any offences within the past 10 years.

Lim Wai Heng

Mr. Lim Wai Heng, aged 39, a Malaysian, was appointed to the board as Executive Director of OWB on 4 January 2007. He is also an Executive Director of some subsidiary companies within the Group.

Mr. Lim joined the Ogawa Group in 2001 as the Executive Director responsible for the Group's purchasing, inventory and logistic management. He is also the Country Head of Singapore operations.

He is the brother of Ms. Lim Mee Ling as well as the brother-in-law of Mr. Chong Swee Main, both Executive Directors and major shareholders of OWB. He has no conflict of interest in any business arrangement involving the Company.

Mr. Lim has no other directorship in any public companies. He has not been convicted of any offences within the past 10 years.

PROFILE OF OUR DIRECTORS

(continued)

Y.T.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah

Y.T.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah, aged 52, a Malaysian, was appointed as an Independent Non-Executive Director of OWB on 8 February 2007.

Y.T.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah is a member of the Audit Committee of OWB. She obtained a Bachelor of Arts (Mathematics/Economics) degree from Syracuse University, New York in 1979 and a Master of Business Administration degree from The London Business School, University of London in 1982. She is the President of Masterskill College of Nursing & Health. She is actively involved in various social welfare and charitable activities. She was President of the National Society for the Deaf from 1996 to 2006. She is now its Patron. She is also the Patron of Riding for the Disabled, Malaysia, Patron of the Perak Ladies Club (Federal Territory and Selangor) and Patron of Friends of the National Library.

She does not have any family relationships with any director and/or major shareholder of the Group, nor any conflict of interest in any business arrangement involving the Company.

Y.T.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah has no other directorship in any public companies. She has not been convicted of any offences within the past 10 years.

Dr. Ahmad Kamal bin Md Alif

Dr. Ahmad Kamal bin Md Alif, aged 63, a Malaysian, was appointed as an Independent Non-Executive Director of OWB on 8 February 2007.

Dr. Ahmad Kamal is a member of OWB's Audit, Remuneration and Nomination Committees. He graduated with an M.B.B.S. in 1972 from the University of Malaya's Faculty of Medicine and trained as a radiologist at the Royal Free Hospital, London under a Colombo Plan Scholarship from 1975 to 1978. He is a Fellow of the Royal College of Radiologist (England) and a member of the Academy of Medicine (Malaysia).

Dr. Ahmad Kamal was appointed as Assistant Lecturer, Faculty of Medicine University Kebangsaan Malaysia ("UKM") in 1973 and became the Associate Professor and Head of the Department of Radiology UKM in 1978. He was later promoted and served as the Deputy Dean, Faculty of Medicine, UKM, from 1982-1983.

He does not have any family relationships with any director and/or major shareholder of the Group, nor any conflict of interest in any business arrangement involving the Company.

Presently, Dr. Ahmad Kamal is also a Director of Apex Healthcare Berhad, a company listed on the Main Market of Bursa Securities.

Dr. Ahmad Kamal has not been convicted of any offences within the past 10 years.

Leong Khai Cheong

Mr. Leong Khai Cheong, aged 58, a Malaysian, was appointed as an Independent Non-Executive Director of OWB on 8 February 2007. He was appointed as Senior Independent Non-Executive Director of OWB on 9 October 2007.

Mr. Leong is also the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees of OWB. He is a Chartered Accountant and Fellow of the Association of Chartered Certified Accountants, United Kingdom and a Certified Public Accountant, Singapore.

Mr. Leong holds associate membership of the Chartered Institute of Management Accountants and the Institute of Chartered Secretaries and Administrators. He was the General Manager – Finance & Control with George Kent (M) Bhd until he joined Singapore listed United Engineers Limited as its General Manager for Group Finance & Administration and Company Secretary from 1988 to 1996.

He does not have any family relationships with any director and/or major shareholder of the Group, nor any conflict of interest in any business arrangement involving the Company.

Presently, Mr. Leong is also a Director of Apex Healthcare Berhad, a company listed on the Main Market of Bursa Securities.

Mr. Leong has not been convicted of any offences within the past 10 years.

2009

MESSAGE FROM THE CHAIRMAN



RICHARD WONG

IN ORDER TO MAINTAIN OGAWA AS THE NUMBER ONE CHOICE,
OUR PURSUIT TOWARDS PERFECTION CONTINUES...

MESSAGE FROM THE CHAIRMAN

(continued)

Dear Shareholders,

On behalf of the Board of Directors, I present to you the Annual Report and the Audited Financial Statements of Ogawa World Berhad and its subsidiary companies (“the Group”) for the financial year ended 30 June 2009.

FINANCIAL PERFORMANCE

The Group achieved consolidated revenue of RM 128.5 million, representing a reduction of 3.6% as compared to RM 133.3 million achieved in the previous financial year. Net Loss after taxation attributable to equity holders widened to RM 12.4 million as compared to the Net Loss after taxation of RM 8.4 million recorded in the previous financial year.

The Group made a net provision for doubtful debt of RM 9.15 million during the financial year compared to the RM 4.15 million provisions in the previous year. The provision was necessary as the economic conditions had affected the businesses of our distributors and their abilities to make regular repayment towards their outstanding position. The Group is continuing to pursue repayment of accounts receivable while taking steps to improve the distributors’ businesses. Excluding the doubtful debt provisions of the respective years above, Net Loss after taxation attributable to equity holders for the financial year ended 30 June 2009 amounted to RM 4.36 million as compared to the Net Loss of RM 4.22 million recorded in the previous financial year.

Despite the loss, the Group is financially strong with net cash holdings of RM 42.4 million or 35.4 cents per share as at 30 June 2009 compared to RM 32.4 million or 27.0 cents per share the previous year.

OPERATIONAL REVIEW

The global financial and economic crisis brought about by sub-prime crises had affected consumer confidence which in turn resulted in lower retail patronage. The Group responded by reducing exposure and focused instead on operational efficiency to address the weaker demand. The number of outlets was reduced by 11.24% from 169 to 150 while consolidated revenue reduced 3.6% to RM128.5 million

compared to previous financial year’s consolidated revenue of RM133.3 million.

Geographically, the Malaysian market remains the largest revenue contributor with RM 85.7 million, accounting for 66.7% of Group revenue but overseas business had increased to 33.3% at RM 42.8 million compared to 28.0% in the last financial year.

	FY09		FY08	
	Revenue (RM'million)	No of Outlets*	Revenue (RM'million)	No of Outlets*
Malaysia	85.7	59	96.0	71
Overseas	42.8	91	37.3	98
Group	128.5	150	133.3	169

* Include distributors’ outlets

During the financial year, we have successfully penetrated into Saudi Arabia with the appointment of a distributor. Today, Ogawa’s products can be found in 10 outlets in Jeddah and Riyadh. The distributor in Thailand had however ceased operations in January 2009. Therefore, we are now in 9 countries namely Malaysia, Singapore, China, Hong Kong, Australia, Indonesia, Vietnam, Myanmar and Saudi Arabia with a total of 150 outlets.

Affordable Products and Tactical Advertising

The Group had launched a number of key products during the financial year including Ogawa SmartAire Massage Chair, Comfort Massage Chair, Mobile Shiatsu, upgraded version of Mobile Seat, Foot Master Massager, Arm Blood Pressure monitor and etc which have receive great response from the market.

The focus on product attributes, especially on Ogawa SmartAire Massage Chair had enhanced the value and image of the brand as being technically advanced.

The Group intends to intensify the introduction of new products and share with the world our passion for healthy living.

2009

MESSAGE FROM THE CHAIRMAN

(continued)

Malaysian operations

The Group had opened 7 new outlets and closed 20 outlets in Malaysia as we continue to keep abreast of the changes in shopping behaviours of Malaysians. The new outlets are in Aeon Seberang Prai, Giant Tawau, 1 Borneo Kota Kinabalu, Boulevard Kuching, Aeon Bukit Indah Johor Bahru, Kluang Mall and Wetex Parade Muar.

The Group is constantly on the lookout for good retail locations and shall consider sites with good pedestrian traffic flow of the target consumer profile. In the meantime, the Malaysian focus shall be on roadshows and exhibitions to promote Ogawa brand and raise awareness on the therapeutic benefits of our products.

Overseas operations

During the financial year, the Group completed its consolidation exercise of its overseas outlets to rationalize its operations. Inclusive of distributors' outlets, the Group now has presence in 91 locations overseas. The exercise has been promising as revenue generated from overseas had increased 14.7% to RM 42.8 million compared to RM 37.3 million in the previous financial year despite fewer sites and the weak economic environment.

The Group had assumed the sales and distribution of Ogawa products in Australia via a newly incorporated wholly-owned subsidiary, Ogawa International (Aust) Pty Ltd since 1 May 2009. The operating results since commencement have been encouraging.

CORPORATE DEVELOPMENTS

On 2 March 2009, the Group had through its wholly-owned subsidiary Healthy World Lifestyle Sdn Bhd ("HWL"), incorporated a wholly-owned subsidiary company in Hong Kong, Ogawa International Limited ("OIL") for international business development. On 8 April 2009, HWL had also incorporated a wholly-owned subsidiary, Ogawa International (Aust) Pty Ltd ("OIA") in Australia to undertake the sales and distribution of Ogawa's products in Australia.

Subsequent to the financial year end, on 8 October 2009, the Group had through Ogawa Health-Care (Selangor) Sdn. Bhd., a wholly-owned subsidiary signed a sales and distributorship agreement with V-Patch Medical Systems Pty Ltd ("VPMS") to distribute health care products in mutually

agreed jurisdictions. VPMS is an Australian based company that specializes in the design and supply of non-invasive biosensors with wearable patches and modules connecting to mobile phone networks and the internet.

DIVIDEND

The Board is of the view that the cash holding can be better utilized to enhance operations and consequently, create a sustainable long-term shareholders' value. Therefore, no final dividend is recommended for the financial year ended 30 June 2009.

PROSPECTS AND OUTLOOK

Consumer confidence has improved compared to a year ago but most countries have yet to emerge from the global financial crisis that ravaged their economies. In this environment, the Group sees opportunities for growth and expansion at relatively low cost to new markets.

With our asset light business model, strong product design and development team, cost containment efforts and high cash position, the Group is aiming for better results in the new financial year.

ACKNOWLEDGEMENT

The Board would like to extend our sincere gratitude and appreciation to the management and staff at all levels for their dedicated effort and commitment. We are also grateful to our loyal shareholders as well as our customers, suppliers and business associates for their continuing confidence and support of the Group.



Wong Lee Keong
Executive Chairman

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (“Board”) of Ogawa World Berhad (“the Group”) is committed towards adhering to high standards of corporate governance as guided by the Malaysian Code on Corporate Governance (“Code”) in its effort to discharge its duties in ensuring an appropriate and sound governance system is implemented throughout the Group and to safeguard the interests of all stakeholders as well as to enhance shareholders’ value.

The Board is continuously dedicated to evaluate the Group’s corporate governance practices and procedures to ensure the principles of good governance is applied and the best practices set out in the Code is complied. The statement set out below is divided into four (4) sections:

Section A: Directors

Section B: Directors’ Remuneration

Section C: Shareholders

Section D: Accountability and Audit

Section A: Directors

(1) Board Effectiveness

The Company is led by a Board which recognises its role in charting the strategic direction, development and control of the Group and has discharged the specific responsibilities listed in the Code.

Board meetings are held quarterly, with additional meetings convened whenever necessary, with the attendance of the Company Secretary. In order to practise good corporate governance, the proceedings, decisions and deliberations at the Board meetings in terms of issues discussed in arriving at the decisions are minuted. During the financial year ended 2009, the Board held four (4) meetings and the respective Directors’ records of attendance are as follows:

Name of Director	Designation	Attendance	Percentage
Wong Lee Keong	Executive Chairman	4/4	100%
Lim Poh Khian	Deputy Executive Chairperson	4/4	100%
Lim Mee Ling	Executive Director	4/4	100%
Cheah Yew Kong	Executive Director	3/4	75%
Chong Swee Main	Executive Director	4/4	100%
Lim Wai Heng	Executive Director	4/4	100%
Y.T.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah	Independent Non-Executive Director	4/4	100%
Dr. Ahmad Kamal Bin Md Alif	Independent Non-Executive Director	4/4	100%
Leong Khai Cheong	Senior Independent Non-Executive Director	4/4	100%

CORPORATE GOVERNANCE STATEMENT

(continued)

(1) Board Effectiveness (cont'd)

The Board has entrusted the Board Committees with specific responsibilities to oversee the affairs of the Group on behalf of the Board in accordance with their respective terms of reference. The chairmen of the relevant Board Committees will highlight to the Board key issues raised by the Board Committees. The Directors bring to the Board various skills sets and experience in determining the Group's development and overall strategic directions. The skill sets of the Directors, Board committees and the Board as a whole are evaluated annually. The results of the evaluation for financial year ended 2009 were presented to the Board on 25 August 2009.

The Board has further delegated to the Executive Committee, which comprises of executive members of the Board and key management staff, the oversight function to ensure that the operations and performance of the Group are aligned with the strategies and approved business plan. The Executive Committee is also tasked with the oversight function of risk management framework in respect of identifying, evaluating and mitigating principal business risks. Periodic reports are furnished to the Board on any significant risks faced by the Group and the corresponding action plans.

(2) Board Balance

The Board is structured where at least one third of the Board is independent which is in compliance with the Bursa Malaysia Securities Berhad's Listing Requirements. The Board has a balance of Executive and Non-Executive Directors with a total of nine (9) members, comprising six (6) Executive Directors, and three (3) Independent Non-Executive Directors. The presence of Independent Non-Executive Directors provides broader and independent views, advice and judgment to take into account of the interest of not only the Group, but also of the shareholders and stakeholders like employees, customers, suppliers and the many communities in which the Group conducts their business.

The Directors bring to the Board a mix of technical skills, knowledge and vast experiences in areas of wholesale and retail business, sales and marketing of household and health care products, economics, finance, accounting and medical knowledge and practice, which are key to charting the direction of the Group. The profiles of the Directors are available on pages 9 to 12 of this Annual Report.

The Executive Chairman of the Board has the responsibility to ensure the Board and the Executive Committee's effectiveness and conduct, whilst the Deputy Executive Chairperson has an overall responsibility over the operating units, organisation effectiveness and implementation of the Board's policies and decisions. In order to ensure there is a balance of power and authority, the Independent Directors are actively involved with unrestricted participation in the deliberations and decisions of the Board. The Independent Directors have full access to information, past and present and can call on members of the management and independent auditors for any information to assist them in further understanding the Group's operations and business as well as forming opinions for matters that are placed before the Board for decisions. In addition, the Board has nominated the Audit Committee Chairman as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

(3) Supply of Information to the Board

The Board has unrestricted and timely access to all information necessary for the discharge of its responsibilities. The Board is supplied with all relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters by way of Board papers or upon specific request to assist the Directors in the decision making and to discharge their duties effectively. Board meetings are scheduled in advance at the beginning of each new financial year to enable the Directors to plan ahead. Meeting notices and board papers are provided to Directors a week in advance to enable the Directors to consider and seek further explanation where necessary so that meaningful deliberation and sound decisions can be made at Board meetings.

All Directors, whether as a full Board or in their individual capacity, have access to the advice and services of the Company Secretaries, management representatives and, if deemed necessary, other independent professionals at the expense of the Group in the discharge of their duties.

CORPORATE GOVERNANCE STATEMENT

(continued)

(4) Appointments to the Board

The Nomination Committee, in its terms of reference, is tasked with the duty of making suitable recommendations to fill vacancies on the Board and its committees. Majority of the Nomination Committee is independent and non-executive directors. The appointment of an experienced Executive Director as a member of the Nomination Committee, which is a departure from the Best Practices is necessary to advise and provide feedback to the Board regarding the requirements of skills and knowledge an Executive Director should have in operating the business. The Nomination Committee members are below:

Chairman:

Wong Lee Keong (*Executive Chairman*)

Members:

Dr. Ahmad Kamal Bin Md Alif (*Independent Non-Executive Director*)

Leong Khai Cheong (*Senior Independent Non-Executive Director*)

The Board through the Nomination Committee reviews and makes recommendation on appointment of new members to the Board for assessment and endorsement. In making their recommendation, the Committee members will consider the required size of the Board, required mix of skills, knowledge, expertise, experience and other qualities which the Director shall bring to the Group. The Nomination Committee assisted the Board in its annual assessment on the effectiveness of the Board as a whole and the Board Committee as well as the contribution of each individual Director including Independent Directors and the Board Committee members. The Nomination Committee met once in the financial year with full attendance by the members.

The Board acknowledges that continuous education is important. In this regard, Board has tasked the Nomination Committee to determine appropriate training for Directors and review the fulfillment of such training. The records of the Directors' attendance of training or workshop and the training programmes attended by the Directors are tabulated in the ensuing tables:

i) Number of trainings attended by each Director:

Directors	No. of trainings attended	
	Internal	External
Wong Lee Keong	-	5
Lim Poh Khian	1	5
Lim Mee Ling	1	4
Cheah Yew Kong	-	4
Chong Swee Main	-	3
Lim Wai Heng	1	1
Y.T.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah*	-	-
Dr. Ahmad Kamal Bin Md Alif*	-	-
Leong Khai Cheong	-	6

Note*:

Although these Directors did not attend any formal training programme, they have nevertheless kept themselves abreast on business matter and their field of expertise that have enabled them to contribute to the Board.

CORPORATE GOVERNANCE STATEMENT

(continued)

(4) Appointments to the Board (cont'd)

ii) Trainings attended by the Directors for financial year ended 2009:

Training programme	Date	Attendance	
		Executive Directors	Non-Executive Directors
Corporate Financial Reporting	17 July 2008	2	-
National Accountants Conference	25 – 26 November 2008	-	1
Interpreting Financial Statements	14 August 2008	5	-
Enterprise Risk Management Workshop (Singapore)	4 May 2009	1	-
Evaluating Performance of the Board (CIMA)	7 May 2009	2	1
Enterprise Risk Management Workshop (Malaysia)	13 May 2009	2	-
Managing Strategic Planning	10 -11 June 2009	1	-
Internal Auditing: Assurance and Value Creation	11 June 2009	3	1
Forum by Public Listed Companies: CG Best Practices	11 June 2009	3	1
Company Secretary's Role Towards Governance	11 June 2009	3	1
Raising the Bar for Corporate Directors Towards Global Competitiveness	11 June 2009	3	1
Main Market Listing Requirements	18 June 2009	-	1

(5) Re-election

In accordance with the Company's Articles of Association, one third (1/3) of the Directors shall retire from office and shall be eligible for re-election at the annual general meeting. Furthermore, each Director shall retire from office at least once in every three (3) years. In the financial year under review, the following Directors retired from office and were re-elected at the Annual General Meeting held on 25 November 2008:

- Wong Lee Keong (Executive Chairman)
- Lim Poh Khian (Deputy Executive Chairperson)
- Lim Mee Ling (Executive Director)

Section B: Directors' Remuneration

(1) The Level and Make-Up on Remuneration

The Remuneration Committee, in its terms of reference, is tasked to assist the Board in assessing the remuneration packages of the Executive Directors and key management personnel. Majority of the Remuneration Committee members are Independent Non-Executive Directors. The Remuneration Committee members are as follows:

Chairman:

Wong Lee Keong (*Executive Chairman*)

Members:

Dr. Ahmad Kamal Bin Md Alif (*Independent Non-Executive Director*)

Leong Khai Cheong (*Senior Independent Non-Executive Director*)

CORPORATE GOVERNANCE STATEMENT

(continued)

Section B: Directors' Remuneration (cont'd)

(1) The Level and Make-Up on Remuneration (cont'd)

The Executive Directors' and key management's level of remuneration is based on agreed targets and contribution to corporate strategy and performance. The Board, as a whole determines the remuneration packages for Non-Executive Directors and the individuals concerned abstain from discussing their own remuneration. Non-Executive Directors remuneration packages are presented to the Remuneration Committee for notation only. The Remuneration Committee met twice during the financial year with full attendance by the members.

(2) Procedure

The objectives of the Remuneration Committee is to establish and recommend to the Board the remuneration structure and policy on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Executive Directors and key management staff with the aim to attract, retain and motivate individuals of the highest quality. The approval of Directors' remuneration rests with the Board as a whole and the individuals concerned abstain from discussing their own remuneration. The annual fees of Directors are tabled to the Board for its recommendation to the shareholders for approval at the Annual General Meeting.

(3) Disclosure

Details of Director's remuneration for the financial year ended 2009 are as follows:

i) Aggregate remuneration of Directors categorised into appropriate components

Category	Salaries (RM)	Fees (RM)	Bonus & Incentive (RM)	Benefits-in-kind (RM)	Allowances (RM)	Total (RM)
Executive Directors	1,380,480	-	-	162,000	-	1,542,480
Non-Executive Directors	-	156,000	-	-	12,500	168,500
Total	1,380,480	156,000	-	162,000	12,500	1,710,980

ii) Aggregate remuneration of Directors analysed into the bands of RM50,000 is set out below:

Range of Remuneration (RM)	Executive	Non-Executive	Total
Below 50,000	-	1	1
50,001 to 100,000	-	2	2
100,001 to 150,000	-	-	-
150,001 to 200,000	-	-	-
200,001 to 250,000	1	-	1
250,001 to 300,000	5	-	5

CORPORATE GOVERNANCE STATEMENT

(continued)

Section C: Shareholders

(1) Dialogue between Company and Investors

The Board acknowledges the importance of timely and equal dissemination of material information to its shareholders, investors and public at large. The Group places importance on the dialogue with investors as a way of effective communication on the Group's strategies and directions, performances and other matters which will be of interest to the investors. Information disseminated to the investment community is in accordance with Bursa Malaysia's disclosure rules and regulations. Timely releases of the financial results on a quarterly basis, press releases and announcements provide an overview of the Group's performance and operations to its shareholders. In addition, the Group has also established a website at <http://www.ogawaworld.net> to provide a comprehensive avenue for the shareholders and the public to access up-to-date information and new events of the Group.

(2) Annual General Meeting

The Annual General Meeting remains the principal forum for dialogue with shareholders. The key element of the Company's dialogue with its shareholders is the opportunity to gather views of and answer questions from both, private and institutional shareholders on all issues relevant to the Company. Shareholders are also encouraged to participate in a question-and-answer session regarding the Group's business activities, during and after the meeting. Shareholders are notified of the meeting together with a copy of the Company's Annual Report at least 21 days before the meeting in accordance with the Company's Articles of Association.

Section D: Accountability and Audit

(1) Financial Reporting

The Board acknowledges its responsibilities to ensure that there is a clear, balanced and understandable assessment of the Company's and Group's financial position and prospects in its quarterly financial and annual reports.

The Board ensures that financial statements are prepared in accordance with the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and Company as at the end of the financial year and of the results of their operations and cash flows for the year ended on that date.

In preparing financial statements, the Group had used the appropriate accounting policies, made reasonable and prudent judgments and estimates, and applied them consistently. Quarterly and annual financial statements are reviewed by the Audit Committee and approved by the Board prior to releasing to the public. The Directors are satisfied with the preparation of the financial statements of the Group and the Company for the financial year ended 30 June 2009.

The Statement by Directors pursuant to section 169 on the Companies Act, 1965 is set out on page 77.

(2) Internal Control

The Board is responsible for the Group's system of internal controls encompassing financial, operational and compliance controls as well as risk management. An overview of the internal control system to safeguard shareholders' investment and the Group's assets is set out in the Statement on Internal Control on pages 22 and 23.

(3) Relationship with Auditors

The Board has established an Audit Committee, committed to maintain a formal and transparent relationship with the Group's auditors, both internal and external. All the Audit Committee members are financially literate Independent Non-Executive Directors. The Audit Committee Chairman is a member of Malaysian Institute of Accountants. The terms of reference, summary of activities and number of meetings held and attendance of each member can be found in the Audit Committee Report on pages 24 to 28 of the Annual Report.

The Audit Committee members had also met twice during the year with the external auditors without the executive Board members and Management staff present, and similarly once with the internal auditors.

This statement is made in accordance with the resolution of the Board of Directors dated 25 August 2009.

STATEMENT ON INTERNAL CONTROL

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investment and Group's assets. The Board of Directors ("Board") of Ogawa World Berhad is committed to maintaining a sound system of internal control in the Group and is pleased to make the Statement on Internal Control ("Statement") which is in compliance with paragraph 15.27(b) of the Bursa Malaysia Securities Berhad's Listing Requirements and the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

RESPONSIBILITY OF THE BOARD

The Board acknowledges its responsibility for the Group's system of internal control and risk management to ensure good corporate governance, which includes the establishment of an appropriate control environment and framework. Due to the inherent limitations in any system of internal control, such system put in place within the Group can only manage risks rather than eliminate all risks that may impede the achievement of the Group's business objectives. Accordingly, the internal control system established can only provide reasonable but not absolute assurance against material misstatement or loss. Nevertheless, the Board reaffirms its responsibility and its commitment for reviewing the adequacy and integrity of the Group's system of internal control and management information systems, including systems for compliance with applicable laws, rules, directives, guidelines and risk management practices.

MONITORING MECHANISMS AND MANAGEMENT STYLE

In striving to operate a system of internal control that will drive the Group towards achieving its goals, the Board has set in place a formal oversight structure that has an appropriate balance of both the Board and Management's involvement in managing the Group. This is seen from the formal organisation structure which has defined lines of responsibility and reporting. The structure for the daily running of the business operations is headed by the Deputy Executive Chairperson, Executive Directors, and key management staff.

The Deputy Executive Chairperson, Executive Directors and management of the Group practise a 'hands on' style in managing the business of the Group. This close-to-operations management style enables timely identification and reporting of significant matters. The Board has also delegated the operational decision making responsibilities as defined in the Financial Authority Manual to an Executive Committee comprising executive members of the Board and other key management personnel. Operational and financial risks and issues are discussed and dealt with at the monthly Executive Committee Meetings and the meeting minutes of such meetings are circulated to the Audit Committee Chairman and subsequently tabled to the Board for notation.

Throughout the financial year, the Board has evaluated and managed the key principal risks faced by the Group through the monitoring of the Group's operations, performance and profitability by reviewing quarterly financial results against the budgets and other qualitative matters that need the Board's attention or approval at its board meetings. The Group has a formal strategic business plan and key performance indicators, which is in line with the Group's business objective for the forthcoming year. Other key elements of the Group's internal controls include:

- Formal Financial Authority Manual outlining the limits to management's authority and responsibilities in respect of key business processes that have been disseminated to all relevant employees of the Group.
- Formal policies for major processes that provide guidance to personnel in executing their daily tasks. There is an ongoing effort of reviewing and updating the existing policies and developing new policies as the Group recognises the importance of having a comprehensive and updated set of policies.
- The Board had also tasked the responsibility for overseeing the conduct of the Group's operations to various Board Committees. All Board Committees have formal terms of reference outlining the committee's functions and duties.
- Compliance Unit which has been set up to monitor the operations of the outlets and operations.

STATEMENT ON INTERNAL CONTROL

(continued)

RISK MANAGEMENT

The Board firmly believes that risk management is critical to the Group's continued profitability and the enhancement of shareholder value. Therefore, the Board has in place a formal enterprise risk management framework that allows a more structured and focused approach to identify, evaluate, monitor and report the principal risks that affects the achievement of the Group's business objectives and enables the adoption of a risk-based internal control system. The following activities have taken place as part of establishing this formal framework:

- Risk profile and corresponding action plans had been developed for the Group.
- Risk Management Policy had been developed which incorporates amongst others a structured process for identifying, evaluating and prioritising risks as well as clearly defining the risk responsibilities and escalation process.
- Risk Manager had been appointed with key roles and responsibilities to champion risk awareness and training efforts of the Group which include the identification of risk, reviewing action plans and ensuring that the action plans are acted upon and addressed.
- Risk reports are being reported and discussed in Executive Committee Meetings of which the agenda and the minutes of meetings are circulated to Audit Committee Chairman. The meeting minutes are thereafter tabled to the Board for notation.
- A Risk Management Report is tabled to the Board on an annual basis summarizing identified risks, controls and action plans taken to mitigate the identified risks. The Risk Management Report for the financial year ended 2009 was presented to the Board on 25 August 2009.

ASSURANCE MECHANISMS

The responsibility for reviewing the adequacy and integrity of the internal control system has been delegated to the Executive Committee by the Board. The Audit Committee assesses the adequacy and integrity of the internal control system through independent reviews conducted by the internal audit function and external auditors. The Audit Committee Chairman also continuously engages senior management to ensure that matters affecting the Group are timely identified and brought to the attention of the other Audit Committee members.

The Audit Committee met four (4) times with full attendance by all members at each meeting. Executive Directors and relevant senior management staff are invited to the meetings where necessary to provide explanation / clarification on matters where required.

The Group had outsourced its internal audit function to a professional firm who reports independently to the Audit Committee. The internal audit function provides the Audit Committee with periodic reports, based on the audits conducted, highlighting observations, recommendations and management action plans to improve the system of internal control. The internal auditors are invited to all Audit Committee meetings.

The external auditors highlight internal control issues and any other matters identified during the course of their annual statutory audit of the financial statements of the Group through management letter to the Audit Committee and Board. The Audit Committee met twice with the external auditors in the absence of Executive Board members and management staff in the financial year ended 2009 and similarly once with the internal auditors.

The Board also reviews the minutes of the Audit Committee's meetings. The Report of the Audit Committee is set out on pages 24 to 28, of the Annual Report.

THE BOARD'S COMMITMENT

The Board recognises that the Group operates in a dynamic business environment in which the internal control system must be responsive in order to be able to support its business objectives. Cognisant of this fact, the Board is committed towards keeping abreast with the ever-changing business environment and striving for continuous improvement to put in place appropriate measures, when necessary, to further enhance the Group's system of internal control.

The Statement is made in accordance with the resolution of the Board of Directors dated 25 August 2009.

AUDIT COMMITTEE REPORT

MEMBERSHIP

The members of the Audit Committee for the financial year ended 30 June 2009 are:

Leong Khai Cheong (Senior Independent Non-Executive Director)	Chairman	
Dr. Ahmad Kamal Bin Md Alif (Independent Non-Executive Director)	Member	
Chong Swee Main (Executive Director)	Member	Resigned on 26 August 2008
Y.T.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah (Independent Non-Executive Director)	Member	Appointed on 26 August 2008

TERMS OF REFERENCE

1. OBJECTIVE

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling the following oversight objectives on the Group activities:

- 1.1 Review and assess the Group's processes relating to its risks and control environment;
- 1.2 Review and assess the Group's quarterly and year end financial reporting; and
- 1.3 Review and assess the internal and external audit processes.

2. COMPOSITION

The Audit Committee shall be appointed by the Board from among its members who fulfil the following requirements:-

- 2.1 the Committee must be composed of not fewer than three (3) members;
- 2.2 all the members must be Non-Executive Directors, with a majority of them being Independent Non-Executive Directors;
- 2.3 the members of Audit Committee shall elect a Chairman from among their number who shall be an Independent Non-Executive Director;
- 2.4 all members of the Audit Committee shall be financially literate and at least one member of the Committee:-
 - must be a member of the Malaysian Institute of Accountants; or
 - if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience; and
 - he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities");

AUDIT COMMITTEE REPORT

(continued)

2. COMPOSITION (cont'd)

2.5 no Alternate Director shall be appointed as a member of the Committee; and

2.6 subject to any regulatory disqualification, members of the Committee shall not be removed except by the Board. In the event of any vacancy in the Committee, the Board shall within three (3) months fill the same so as to comply with all regulatory requirements. In any event the Board shall review the term of office and performance of the Committee and each of its members at least once every three (3) years.

3. SECRETARY

The Company Secretary shall be the Secretary of the Committee.

4. QUORUM AND VOTING

The quorum for all meetings of the Committee shall not be less than three (3) members, a majority of whom shall be Independent Non-Executive Directors. All meetings shall be chaired by the Chairman; if the Chairman is absent at any meeting, it shall be chaired by another Independent Non-Executive Director.

All resolutions of the Committee shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.

5. MEETINGS AND ATTENDANCE

5.1 Meetings shall be held not less than four (4) times a year.

5.2 The meeting shall normally be attended by the Head of Finance, Internal Audit and Corporate functions.

5.3 The external auditors are normally invited to attend meetings as and when necessary.

5.4 Other Board Members and employees may attend meetings only upon the invitation of the Audit Committee.

5.5 However, at least twice a year, the Committee shall meet with the external auditors without any executive Board member present. The external auditors may also request for additional meetings if they consider it necessary.

5.6 The Secretary of the Audit Committee shall provide the necessary administrative and secretarial services for the effective functioning of the Committee. The minutes shall be circulated to the Committee members and to all other members of the Board.

5.7 A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

5.8 The Secretary shall on the requisition of the members of the Audit Committee summon a meeting of the Committee and, except in the case of an emergency, reasonable notice of every Committee meeting shall be given in writing.

AUDIT COMMITTEE REPORT

(continued)

6. AUTHORITY

The Committee shall have authority to investigate any matter within its terms of reference.

The Committee is authorised to seek any information it requires from employees, who are required to cooperate with any request made by the Committee, and it shall have full and unlimited access to any information pertaining to the Group.

The Committee shall have direct communication channels with the internal and external auditors and with senior management of the Group and shall be able to convene meetings with external auditors, internal auditors or both, excluding the attendance of Executive Directors and employees of the Company, whenever deemed necessary.

The Committee shall have the resources that are required to perform its duties. The Committee can obtain, at the expense of the Company, outside legal or other independent professional advice it considers necessary.

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Bursa Securities Listing Requirements, the Committee shall promptly report such matter to the Bursa Securities.

7. RESPONSIBILITY AND DUTIES

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:

- 7.1 Review with the external auditor, the audit scope and plan, including any changes to the planned scope of the audit plan.
- 7.2 Review the adequacy of the internal audit scope and plan, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.
- 7.3 Ensure that the internal audit function is independent of the activities it audits and the internal auditors shall report directly to the Committee. The head of internal audit shall be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Company.
- 7.4 Review any appraisal or assessment of the performance of members of the internal audit function.
- 7.5 Take cognisance of resignations of internal audit staff members (for in-house internal audit function) or the internal audit service provider (for out-sourced internal audit function) and provide the resigning staff member or the internal audit service provider an opportunity to submit his reasons for resigning.
- 7.6 Review the external and internal audit reports to ensure that appropriate and prompt remedial action is taken by management on major deficiencies in control or procedures that are identified.
- 7.7 Review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- 7.8 Review major audit findings and the management's response during the year with management, external auditors, including the status of previous audit recommendations.

AUDIT COMMITTEE REPORT

(continued)

7. RESPONSIBILITY AND DUTIES (cont'd)

- 7.9 Review the assistance given by the Group's officers to the auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.
- 7.10 Review the independence and objectivity of the external auditors and their services, including non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money.
- 7.11 Review the appointment and performance of external auditors, the audit fee, any question of resignation or dismissal, any letter of resignation from the external auditors and whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment before making recommendations to the Board and recommend the nomination of a person or persons as external auditors.
- 7.12 Review the Internal Audit Charter, budget and staffing of the internal audit functions.
- 7.13 Review the adequacy and integrity of internal control systems, including enterprise risk management, management information system, and the internal auditors' and/or external auditors' evaluation of the said systems.
- 7.14 Direct and where appropriate supervise any special projects or investigation considered necessary, and review investigation reports on any major defalcation, frauds and thefts and management's response.
- 7.15 Review the quarterly results and the year end financial statements, prior to the approval by the Board focusing particularly on:-
- changes in or implementation of major accounting policy changes;
 - the going concern assumption;
 - significant adjustments arising out of audit and unusual events; and
 - compliance with accounting standards and other legal requirements.
- 7.16 Review procedures in place to ensure that the Group complies with the Companies Act 1965, Bursa Securities Listing Requirements and other legislative and reporting requirements.
- 7.17 Review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.
- 7.18 Prepare reports, if the circumstances arise or at least once (1) a year, to the Board summarizing the activities or work performed in fulfilling the Committee's primary responsibilities, including details of relevant training attended by each Committee member.
- 7.19 Review the annual enterprise risk profile of the group (including risk registers) and evaluate the Risk Manager's risk assessments of the group and his plans to mitigate business risks as identified from time to time.
- 7.20 Any other activities, as authorised by the Board.

The Chairman of the Committee shall engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

AUDIT COMMITTEE REPORT

(continued)

MEETINGS HELD DURING THE FINANCIAL YEAR ENDED 30 JUNE 2009

There were four (4) meetings held during the financial year ended 30 June 2009. Details of the attendance are as follows:-

Member	Attendance	Remarks
Leong Khai Cheong (Chairman)	4/4	
Dr. Ahmad Kamal Bin Md Alif	4/4	
Y.T.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah	3/3	Appointed on 26 August 2008
Chong Swee Main	1/1	Resigned on 26 August 2008

Other Board members, the Chief Financial Officer, Advisers, General Manager and representatives of the External Auditors and outsourced Internal Auditors were present by invitation to brief the Committee on specific issues, with the Company Secretaries in attendance.

ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

During the year, the Audit Committee discharged its duties in accordance with its terms of reference as follows:

- Reviewed the Group's unaudited quarterly financial results and annual financial statements to ensure compliance with regulatory requirements prior to submission to the Board for consideration and approval for release.
- Reviewed with the external auditors, their audit plan and matters arising from the audit.
- Reviewed the internal auditor's scope of work and audit plan for the year.
- Reviewed the risk management and internal audit reports and management's responses.
- Reviewed related party transactions within the Company and the Group.
- Appraised the activities of the internal auditors to ensure adequate monitoring of the internal control systems.
- Evaluated the adequacy of the scope, functional, competency and resources of the internal auditors.

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The Group's Internal Audit function was outsourced to an independent professional firm that reports directly to the Audit Committee.

The role of the Internal Auditor is to undertake independent and systematic reviews of the operation of the companies within the Group to ensure that proper systems of internal controls are in place. It adopts a risk based approach towards planning and conduct of audits, guided by an Enterprise Risk Management framework of the Company.

Summary of activities that were carried out include:

- Formulated the audit plan that focuses on high risk areas;
- Performed internal audit reviews in accordance with the approved audit plan;
- Issued reports on the results of the internal audit reviews, identifying weaknesses with suggested recommendations for improvements to management for further action;
- Attended Audit Committee's meetings to table and discuss the audit reports and followed up on matters raised;
- Followed-up on the implementation of corrective action plans or best practices agreed with management; and
- Reviewed the appropriateness of the disclosure statements in regard to compliance with the Malaysian Code on Corporate Governance and the state of internal controls.

The total cost incurred for the Internal Audit function for the year ended 30 June 2009 amounted to RM168,025.00.

OTHER DISCLOSURES

Corporate Social Responsibility Statement

Corporate Social Responsibility is an inherent part of Ogawa's culture and business principles. We have, and will continue to strive to contribute positively to our community at large. Our commitment to be socially responsible corporate citizen has in many ways been fulfilling not only to the company, but to our employees and shareholders as well.

As leaders of today, our Executive Chairman believes it is only right that we extend a helping hand to guide and support the overlooked group of individuals that are born with learning disabilities. We at Ogawa believe that a person with learning disabilities have rights too. Hence we strive to nurture the leaders in this overlooked community, so that they can speak for themselves and make their own decisions.

We have contributed donation in cash and kind to United Voice – a Self-Advocacy Society for Persons with Learning Disabilities and the National Society for the Deaf – to support their survival and development. At United Voice and the National Society for the Deaf, among others, their objective is to provide leadership, independent skills and confidence among their members. Through our contribution, Ogawa is supporting their voice and their rights to life.

We will continuously work together to ensure that their voices are being heard and their rights being seriously taken care of. In Ogawa we believe in sustaining the true spirit of giving and to strive to contribute and enrich the communities in the country where we operate. This has always been the way we do our business yesterday, today and tomorrow.

Utilisation of Proceed

Proposed	Original Proposed Utilisation RM'000	1st Revised Proposed Utilisation RM'000	2nd Revised Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation Amount RM'000	Deviation %	Explanation
Acquisition of land and building	15,000	4,200	-	-	Not Applicable	-	-	Note 1
Local and overseas business expansion	5,550	5,550	5,550	(5,550)	Fully Utilised	-	-	
Upgrade of product design and development department	3,800	3,800	3,800	(879)	Within 36 months	-	-	Note 2
Expand fleet of delivery trucks	1,200	1,200	228	(228)	Fully Utilised	-	-	
Upgrade of information technology facilities	1,500	1,500	1,500	(1,500)	Fully Utilised	-	-	
Working capital	3,236	14,036	19,208	(19,457)	Fully Utilised	-249	-1.8	Note 3
Defray estimated listing expenses	1,600	1,600	1,600	(1,351)	Fully Utilised	249	15.56	Note 3
TOTAL	31,886	31,886	31,886	(28,965)		-		

Note:

- 1) The full amount of RM 15 million originally allocated for acquisition of land and building have been reallocated for working capital purposes.
- 2) Will be utilised progressively within the intended timeframe from the date of listing as set out above.
- 3) As actual listing expenses were lower than the estimated, the unutilised balance of proceeds of RM249,000 has been allocated for working capital of the Group.

OTHER DISCLOSURES

(continued)

Share Buybacks

During the year under review, the Company did not enter into any share buyback transactions.

Options, Warrants or Convertible Securities

No options, warrants or convertible securities were issued during the financial year under review.

American Depository Receipt / Global Depository Receipt

The Company did not sponsor any American Depository Receipt (ADR) or Global Depository Receipt (GDR) program.

Sanctions and / or Penalties

There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year under review.

Non-Audit Fees

The amount of non-audit fees paid and payable to a company affiliated to the external auditors by the Group for the financial year ended 30 June 2009 was RM 66,183 which was for provision of corporate tax compliance services.

Recurrent Related Party Transactions

There was no recurrent related party transactions during the financial year ended 30 June 2009.

Material Contracts

During the year under review, there were no material contracts entered into by the Company and its subsidiaries which involve Directors' or major shareholders' interests.

Revaluation Policy

The Group does not have a revaluation policy in respect of the Group's properties.

Profit Guarantee

The Company did not receive any profit guarantee during the financial year ended 30 June 2009.

FINANCIAL STATEMENTS

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REPORT OF THE DIRECTORS

The directors of **OGAWA WORLD BERHAD** (“the Company”) and its subsidiary companies (collectively referred to as “the Group”) hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended June 30, 2009.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 11 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
(Loss)/Profit before tax	(11,179,697)	14,196,742
Income tax expense	(1,251,595)	(3,482,683)
(Loss)/Profit for the year	(12,431,292)	10,714,059

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend any dividend payment in respect of the current financial year.

REPORT OF THE DIRECTORS

(continued)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen that would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

REPORT OF THE DIRECTORS

(continued)

OTHER STATUTORY INFORMATION (CONT'D)

- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Wong Lee Keong
Lim Poh Khian
Lim Mee Ling
Cheah Yew Kong
Chong Swee Main
Lim Wai Heng
Y.T.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah
Dr. Ahmad Kamal Bin Md Alif
Leong Khai Cheong

In accordance with Article 92 of the Company's Articles of Association, Messrs. Cheah Yew Kong, Chong Swee Main and Lim Wai Heng retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

REPORT OF THE DIRECTORS

(continued)

DIRECTORS' INTERESTS

The shareholdings in the Company and in related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

Shares in the Company	Number of ordinary shares of RM0.50 each			Balance as of 30.6.2009
	Balance as of 1.7.2008	Bought	Sold	
Direct interest				
Wong Lee Keong	1,057,700	-	-	1,057,700
Lim Poh Khian	951,700	-	-	951,700
Lim Mee Ling	203,300	280,000	-	483,300
Cheah Yew Kong	83,300	280,000	-	363,300
Chong Swee Main	367,900	-	-	367,900
Lim Wai Heng	36,900	160,000	-	196,900
Y.T.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah	10,000	-	-	10,000
Dr. Ahmad Kamal Bin Md Alif	10,000	-	-	10,000
Leong Khai Cheong	10,000	-	-	10,000

Indirect interest

Wong Lee Keong	61,200,000	-	-	61,200,000
Lim Poh Khian	61,200,000	-	-	61,200,000
Lim Mee Ling	62,268,400	160,000	-	62,428,400
Cheah Yew Kong	61,406,600	-	-	61,406,600
Chong Swee Main	61,813,600	-	-	61,813,600
Lim Wai Heng	62,434,800	280,000	-	62,714,800

Shares in the holding company - Great Genesis Sdn. Bhd.

Direct interest

Shares in the holding company - Great Genesis Sdn. Bhd.	Number of ordinary shares of RM1.00 each			Balance as of 30.6.2009
	Balance as of 1.7.2008	Bought	Sold	
Wong Lee Keong	17,291	-	-	17,291
Lim Poh Khian	15,147	-	-	15,147
Lim Mee Ling	8,568	-	-	8,568
Cheah Yew Kong	8,568	-	-	8,568
Chong Swee Main	6,732	-	-	6,732
Lim Wai Heng	4,896	-	-	4,896

Indirect interest

Lim Mee Ling	11,628	-	-	11,628
Lim Wai Heng	15,300	-	-	15,300

REPORT OF THE DIRECTORS

(continued)

DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares of HKD\$1.00 each			Balance as of 30.6.2009
	Balance as of 1.7.2008	Bought	Sold	
Shares in an indirect subsidiary company - Ogawa Health-Care International (HK) Ltd.				
Direct interest				
Lim Mee Ling	15,000	-	-	15,000
Cheah Yew Kong	15,000	-	-	15,000

By virtue of their interests in the shares of the Company, Wong Lee Keong, Lim Poh Khian, Lim Mee Ling, Cheah Yew Kong, Chong Swee Main and Lim Wai Heng are deemed to have an interest in the shares of all the subsidiary companies to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in the financial statements or being fixed salary of full-time employees of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions with a related party as disclosed in Note 27 to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

HOLDING COMPANY

The directors regard Great Genesis Sdn. Bhd., a company incorporated in Malaysia, as the holding company.

REPORT OF THE DIRECTORS

(continued)

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

WONG LEE KEONG

LIM POH KHIAN

Petaling Jaya,
August 25, 2009

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OGAWA WORLD BERHAD (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **OGAWA WORLD BERHAD**, which comprise the balance sheets of the Group and of the Company as of June 30, 2009, and the related income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out in pages 40 to 76.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design our audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as of June 30, 2009 and of its financial performance and cash flows for the year then ended.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OGAWA WORLD BERHAD (Incorporated in Malaysia) (continued)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

- (a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;
- (b) we have considered the financial statements and the auditors' reports of all the subsidiary companies, of which we have not acted as auditors, as indicated in Note 11 to the Financial Statements, being financial statements that have been included in the financial statements of the Group;
- (c) we are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and
- (d) the auditors' report on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174 (3) of the Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

OOI THIAM POH
Partner - 2495/01/10 (J)
Chartered Accountant

August 25, 2009

INCOME STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Revenue	5	128,552,380	133,276,831	14,665,255	-
Interest income from short-term deposits		604,397	723,830	498,676	611,199
Other operating income	7	134,051	1,022,298	20,000	-
Changes in inventories of trading merchandise		(5,718,510)	3,337,139	-	-
Trading merchandise purchased		(42,225,455)	(58,592,621)	-	-
Allowance for doubtful debts		(9,990,768)	(4,148,060)	-	-
Remuneration of key management personnel	6	(2,639,786)	(2,633,221)	(168,500)	(123,500)
Staff costs	7	(28,968,166)	(24,869,105)	(1,810)	(4,270)
Depreciation of property, plant and equipment	10	(4,541,189)	(3,566,352)	(369,987)	(76,284)
Interest expense on hire-purchase		(23,392)	(99,485)	-	-
Other operating expenses	7	(46,363,259)	(53,006,975)	(446,892)	(759,006)
(Loss)/Profit before tax		(11,179,697)	(8,555,721)	14,196,742	(351,861)
Income tax (expense)/credit	8	(1,251,595)	128,683	(3,482,683)	(158,997)
(Loss)/Profit for the year		(12,431,292)	(8,427,038)	10,714,059	(510,858)
Attributable to:					
Equity holders of the Company		(12,431,292)	(8,371,832)		
Minority interests		-	(55,206)		
Loss for the year		(12,431,292)	(8,427,038)		
Loss per ordinary share					
Basic (RM)	9	(0.10)	(0.07)		

The accompanying Notes form an integral part of the Financial Statements.

BALANCE SHEETS

AS OF JUNE 30, 2009

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	10	12,943,147	14,819,568	715,456	886,636
Investment in subsidiary companies	11	-	-	49,509,527	49,509,527
Goodwill on consolidation	12	10,391	10,391	-	-
Deferred tax asset	13	103,160	47,508	-	-
Total Non-Current Assets		13,056,698	14,877,467	50,224,983	50,396,163
Current Assets					
Inventories	14	11,586,195	17,304,705	-	-
Trade receivables	15	8,062,828	18,973,374	-	-
Other receivables and prepaid expenses	15	8,129,105	11,458,652	333,339	140,301
Amount owing by subsidiary companies	11	-	-	8,626,048	-
Short-term deposits with licensed banks	23	21,519,539	19,446,341	19,826,000	17,800,000
Cash and bank balances	23	20,951,046	12,942,811	2,171,970	7,343,292
Total Current Assets		70,248,713	80,125,883	30,957,357	25,283,593
TOTAL ASSETS		83,305,411	95,003,350	81,182,340	75,679,756

BALANCE SHEETS

AS OF JUNE 30, 2009 (continued)

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	16	60,000,000	60,000,000	60,000,000	60,000,000
Reserves	17	(3,073,263)	9,055,704	18,233,689	7,519,630
Total Equity		56,926,737	69,055,704	78,233,689	67,519,630
Non-Current Liabilities					
Hire-purchase payables - non-current portion	18	347,239	225,060	-	-
Deferred tax liability	13	-	134,000	-	126,000
Total Non-Current Liabilities		347,239	359,060	-	126,000
Current Liabilities					
Trade payables	19	9,570,863	10,084,851	-	-
Other payables and accrued expenses	19	15,592,740	14,339,635	269,984	432,446
Amount owing to directors	20	146,450	1,015,649	-	-
Amount owing to subsidiary companies	11	-	-	2,678,667	7,601,680
Hire-purchase payables - current portion	18	193,838	148,451	-	-
Provision for unutilised leave		527,544	-	-	-
Total Current Liabilities		26,031,435	25,588,586	2,948,651	8,034,126
Total Liabilities		26,378,674	25,947,646	2,948,651	8,160,126
TOTAL EQUITY AND LIABILITIES		83,305,411	95,003,350	81,182,340	75,679,756

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2009

The Group	Issued capital RM	Share premium RM	Reverse acquisition reserve RM	Translation reserve RM	Unappropriated profit RM	Minority interests RM	Total RM
Balance as of July 1, 2007	60,000,000	7,249,903	(27,204,000)	60,552	39,535,494	1,956,451	81,598,400
Acquisition of minority interests	-	-	-	-	-	(1,901,245)	(1,901,245)
Translation differences	-	-	-	5,587	-	-	5,587
Total recognised income and expenses - Loss for the year	-	-	-	-	(8,371,832)	(55,206)	(8,427,038)
Dividend paid (Note 25)	-	-	-	-	(2,220,000)	-	(2,220,000)
Balance as of June 30, 2008	60,000,000	7,249,903	(27,204,000)	66,139	28,943,662	-	69,055,704
Balance as of July 1, 2008	60,000,000	7,249,903	(27,204,000)	66,139	28,943,662	-	69,055,704
Translation differences	-	-	-	302,325	-	-	302,325
Total recognised income and expenses - Loss for the year	-	-	-	-	(12,431,292)	-	(12,431,292)
Balance as of June 30, 2009	60,000,000	7,249,903	(27,204,000)	368,464	16,512,370	-	56,926,737

The Company	Issued capital RM	Share premium RM	Unappropriated profit RM	Total RM
Balance as of July 1, 2007	60,000,000	7,249,903	3,000,585	70,250,488
Total recognised income and expenses - Loss for the year	-	-	(510,858)	(510,858)
Dividend paid (Note 25)	-	-	(2,220,000)	(2,220,000)
Balance as of June 30, 2008	60,000,000	7,249,903	269,727	67,519,630
Balance as of July 1, 2008	60,000,000	7,249,903	269,727	67,519,630
Total recognised income and expenses - Profit for the year	-	-	10,714,059	10,714,059
Balance as of June 30, 2009	60,000,000	7,249,903	10,983,786	78,233,689

The accompanying Notes form an integral part of the Financial Statements.

CASH FLOW STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
CASH FLOW FROM/(USED IN)					
OPERATING ACTIVITIES					
(Loss)/Profit before tax		(11,179,697)	(8,555,721)	14,196,742	(351,861)
Adjustments for:					
Allowance for doubtful debts		9,990,768	4,148,060	-	-
Allowance for obsolete inventories		2,835,839	-	-	-
Provision for unutilised leave		527,544	-	-	-
Depreciation of property, plant and equipment		4,541,189	3,566,352	369,987	76,284
Goodwill written off		-	452,990	-	-
Property, plant and equipment written off		662,551	449,323	-	-
Finance costs		23,392	99,485	-	-
Bad debts written off		20,186	11,647	-	-
Allowance for doubtful debts no longer required		(836,360)	-	-	-
Interest income		(604,397)	(723,830)	(498,676)	(611,199)
Gain on disposals of property, plant and equipment		(101,095)	(52,953)	-	-
Negative goodwill arising from acquisition of minority interests		-	(48,672)	-	-
Dividend income		-	-	(14,665,255)	-
Operating Profit/(Loss) Before Working Capital Changes		5,879,920	(653,319)	(597,202)	(886,776)
(Increase)/Decrease in:					
Inventories		2,882,671	(3,337,139)	-	-
Trade receivables		899,592	(2,629,756)	-	-
Other receivables and prepaid expenses		2,509,718	2,717,706	(41,197)	29,256
Amount owing by subsidiary companies		-	-	(8,626,048)	5,276,545

CASH FLOW STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009 (continued)

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Increase/(Decrease) in:					
Trade payables		(513,988)	4,128,250	-	-
Other payables and accrued expenses		1,253,105	8,370,442	(162,462)	384,594
Amount owing to directors		(869,199)	839,017	-	(4,000)
Amount owing to subsidiary companies		-	-	(4,923,013)	7,601,680
Cash From/(Used In) Operations		12,041,819	9,435,201	(14,349,922)	12,401,299
Income tax refund/(paid)		218,958	(4,754,140)	(94,210)	(168,997)
Net Cash From/(Used In) Operating Activities		12,260,777	4,681,061	(14,444,132)	12,232,302
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Interest income received		604,397	723,830	498,676	611,199
Proceeds from disposals of property, plant and equipment		523,751	218,115	-	-
Dividend received		-	-	10,998,941	-
Purchase of property, plant and equipment (Note)		(3,306,563)	(5,718,000)	(198,807)	(962,920)
Acquisition of minority interests in subsidiary companies	11	-	(2,003,161)	-	(2,003,161)
Additional investment in a subsidiary company		-	-	-	(7,214,176)
Net Cash (Used In)/From Investing Activities		(2,178,415)	(6,779,216)	11,298,810	(9,569,058)

CASH FLOW STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009 (continued)

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
CASH FLOWS USED IN FINANCING ACTIVITIES					
Dividend paid		-	(2,220,000)	-	(2,220,000)
Repayment of hire-purchase payables		(143,692)	(1,494,427)	-	-
Finance costs paid		(23,392)	(99,485)	-	-
Net Cash Used In Financing Activities		(167,084)	(3,813,912)	-	(2,220,000)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		9,915,278	(5,912,067)	(3,145,322)	443,244
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		32,389,152	38,348,539	25,143,292	24,700,048
Effects of exchange rate changes on cash and cash equivalents		166,155	(47,320)	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	42,470,585	32,389,152	21,997,970	25,143,292

Note: During the current financial year, the Group and the Company acquired property, plant and equipment through the following arrangements:

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Total costs of property, plant and equipment acquired		3,617,821	5,808,000	198,807	962,920
Less: Acquisition via hire-purchase arrangements		(311,258)	(90,000)	-	-
Cash payments		3,306,563	5,718,000	198,807	962,920

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad.

The Company is principally engaged in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 11.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The principal place of business of the Company is located at No. 22 Jalan Anggerik Mokara 31/47, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia.

The financial statements of the Group and of the Company were authorised by the Board of Directors and approved for issuance on August 25, 2009.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the provisions of the Companies Act, 1965 in Malaysia.

Standards In Issue But Not Yet Effective

As of the date of issuance of the financial statements, the following FRSs that are relevant to the Group and the Company's operations and have been issued but not yet effective until future period are as follows:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 123	Borrowing Costs (Revised)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 139	Financial Instruments: Recognition and Measurement

Consequential amendments were also made to various FRSs as a result of these new/revised FRSs.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

Standards In Issue But Not Yet Effective (CONT'D)

Except for FRS 8 which is effective for annual financial statements for periods beginning on or after 1 July 2009, the new/revised FRSs and amendments to FRSs are effective for annual periods beginning on or after 1 January 2010.

The directors anticipate that the other FRSs and amendments to FRSs will be adopted in the annual financial statements of the Group and the Company for the year commencing 1 July 2010 and that the adoption of these new/revised FRSs and amendments to FRSs will have no material impact on the financial statements of the Group and the Company in the period of initial application except for the following:

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and processes for managing capital.

FRS 8, which replaces FRS 114₂₀₀₄ Segment Reporting, requires the identification of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess their performance. Currently, the Group identifies two sets of segments (business and geographical) using a risks-and-rewards approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of FRS 8, the identification of the Group's reportable segments may change.

The impact of applying FRS 7, FRS 8 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in the respective FRSs. The initial application of the remaining standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention.

Basis of Consolidation

The consolidated financial statements include the audited financial statements of the Company and its subsidiary companies made up to June 30, 2009 as disclosed in Note 11.

Subsidiary companies are consolidated using the acquisition method of accounting. On acquisition, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition. The interest of minority shareholder is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Consolidation (CONT'D)

The results of subsidiary companies acquired or disposed off during the financial period are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

All significant intercompany transactions and balances are eliminated on consolidation.

Business Combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 Business Combinations, are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 5, Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the excess is recognised immediately in the consolidated income statements.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Reverse Acquisition

In connection with the initial public offering of the Company in 2007, the Company acquired the entire equity interest in a subsidiary company via the issuance of ordinary shares and became the legal holding company of the subsidiary company although the relative value of the subsidiary company was greater than the Company. The Company's continuing operations and executive management are those of the subsidiary company. Accordingly, the substance of the business combination is that the subsidiary company acquired the Company in a reverse acquisition and hence the directors adopted the reverse acquisition accounting as the basis of consolidation in order to give a true and fair view of the business combination.

The application of the reverse acquisition method under Financial Reporting Standards 3, Business Combination ("FRS 3") resulted in the subsidiary company being identified as the acquirer of the Group for accounting purposes and accordingly the pre-acquisition reserve of the subsidiary company are accounted for as reverse acquisition reserve.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue

Revenue of the Group comprises revenue from sales of goods and rendering of services. Revenue of the Company comprises dividend income from subsidiary companies.

Revenue from sales of goods is recognised when the risks and rewards of ownership have passed. Revenue from services is recognised upon performance and acceptance of services rendered.

Dividend income is recognised when the shareholder's right to receive payment is established.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the financial year, calculated using tax rates that have been enacted or substantively enacted as of the balance sheet date. Tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

(ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted as of the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation (CONT'D)

(iii) Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in the income statements, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

Employee Benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees. The Group accrues for staff annual leave which are unutilised and carried forward into future period, if any. The cost accrued is based on the basic salary and the number of days of unutilised annual leave.

(ii) Post-employment benefits

The Group contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. The contributions are charged to the income statements in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

Foreign Currency

(i) Functional and Presentation Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia ("RM"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

(ii) Foreign Currency Transactions

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statements for the period.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign Currency (CONT'D)

(iii) Foreign Currency Translation

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Ringgit Malaysia using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve account. Such translation differences are recognised in the income statements in the period in which the foreign operation is disposed of.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statements for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statements for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Goodwill on Consolidation

Goodwill arising on consolidation represents the excess of cost of acquisition over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, and is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Impairment of Assets Excluding Goodwill

At each balance sheet date, the Group and the Company review the carrying amounts of their tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of Assets Excluding Goodwill (CONT'D)

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be lower than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statements.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statements.

Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statements.

Other than freehold land which is not depreciated, depreciation of property, plant and equipment is computed on the straight line method to write-off the cost of various assets after netting off the residual value over their estimated useful lives at the following annual rates:

Freehold building	2%
Office equipment, furniture and fittings	10%
Computer and telecommunication equipment (including integral software application)	33 1/3%
Renovation	25%
Electrical installation and signboards	25%
Motor vehicles	20%

Assets held under hire-purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets or, shorter the term of relevant lease. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment and Depreciation (CONT'D)

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements.

Property, Plant and Equipment Acquired Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations are treated as liabilities. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Investment in Subsidiary Companies

Investment in subsidiary companies, which is eliminated on consolidation, is stated at cost in the Company's financial statements. Where there is an indication of impairment in the value of the assets, the carrying amount of the assets is assessed and written down immediately to its recoverable amount.

Inventories

Inventories consist of trading merchandise which are valued at lower of cost (determined on the "first-in, first-out" basis) and net realisable value. The cost consists of the original cost of purchase plus the cost of bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs.

Receivables

Receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimate of possible losses which may arise from non-collection of certain receivable accounts.

Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are measured at the directors' best estimate of the amount required to settle the obligation at the balance sheet date, and are discounted to the present value where the effect is material.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed to the income statements.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Operating Lease

Rental payable under operating leases is recognised in the income statements on a “straight-line” basis over the term of the lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rental arising under operating leases are recognised as an expense in the period which they are incurred.

Financial Assets

The Group’s principal financial assets are trade and other receivables, short-term deposits and, cash and cash equivalents.

Significant financial asset of the Company is amount owing by subsidiary companies.

Financial Liabilities

Debts and equity instruments are classified in accordance with the substance of the contractual arrangement.

The Group’s significant financial liabilities are trade and other payables, accrued expenses, amount owing to directors and hire-purchase payables.

Significant financial liability of the Company include amount owing to subsidiary companies.

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements made in applying accounting policies

In the process of applying the Group’s accounting policies, which are described in Note 3, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, except for the following:

Allowance for doubtful debts

The policy for allowance for doubtful debts of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's estimate. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of the customers which the Group deals with were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

Impairment of property, plant and equipment

Determining whether property, plant and equipment is impaired requires an estimation of the value-in-use of the assets (or cash-generating units). The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

5. REVENUE

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Sales of goods	128,096,188	133,003,943	-	-
Services rendered	455,192	272,888	-	-
Dividend income from subsidiary companies	-	-	14,665,255	-
	128,552,380	133,276,831	14,665,255	-

NOTES TO THE FINANCIAL STATEMENTS

(continued)

6. REMUNERATION OF KEY MANAGEMENT PERSONNEL

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
<i>Directors of the Company:</i>				
- Fees	156,000	114,000	156,000	114,000
- Salaries and other emoluments	1,392,980	1,547,363	12,500	9,500
	1,548,980	1,661,363	168,500	123,500
<i>Directors of the subsidiary companies:</i>				
- Fees	-	377,000	-	-
- Salaries and other emoluments	605,046	423,498	-	-
	605,046	800,498	-	-
<i>Other key management personnel:</i>				
- Salaries and other emoluments	485,760	171,360	-	-
	2,639,786	2,633,221	168,500	123,500

Contributions to EPF by the Group and the Company for directors and other key management personnel amounted to RM127,456 (2008: RM44,026) and RM23,760 (2008: RM18,360) respectively.

The number of directors of the Company whose total remuneration (inclusive of benefit in kind) during the financial year fall into the respective bands, are as follows:

Range of Remuneration	Numbers of Directors	
	2009	2008
<i>Executive Directors:</i>		
RM200,001 to RM250,000	1	1
RM250,001 to RM300,000	5	5
<i>Non-Executive Directors:</i>		
RM50,000 and below	1	3
RM50,001 to RM100,000	2	-

NOTES TO THE FINANCIAL STATEMENTS

(continued)

7. OTHER OPERATING INCOME/(EXPENSES) AND STAFF COSTS

Included in other operating income/(expenses) are the following:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Allowance for doubtful debts no longer required	836,360	-	-	-
Gain on disposals of property, plant and equipment	101,095	52,953	-	-
Trademark license fee	10,185	-	-	-
Rental expense on:				
Outlets	(16,051,752)	(14,463,570)	-	-
Counters and booths	(3,263,903)	(2,951,041)	-	-
Others	(1,418,550)	(848,788)	-	-
Advertising and promotion expenses	(8,088,967)	(19,307,354)	(39,901)	-
Allowance for obsolete inventories	(2,835,839)	-	-	-
Property, plant and equipment written off	(662,551)	(449,323)	-	-
Provision for unutilised leave	(527,544)	-	-	-
Audit fees:				
Current year	(187,591)	(188,581)	(12,000)	(12,000)
Under provision in prior years	(154,500)	-	-	-
Realised (loss)/gain on foreign exchange	(439,851)	450,116	-	-
Bad debts written off	(20,186)	(11,647)	-	-
Goodwill written off	-	(452,990)	-	-
Royalty income	-	456,119	-	-
Negative goodwill arising from acquisition of minority interests	-	48,672	-	-

Staff costs include salaries, contributions to EPF, bonuses and other staff related expenses. Included in staff costs are contributions to EPF by the Group amounting to RM2,194,310 (2008: RM1,943,412).

The estimated monetary value of benefits-in-kind received and receivable by the directors other than in cash from the Group amounted to RM179,800 (2008: RM124,400).

NOTES TO THE FINANCIAL STATEMENTS

(continued)

8. INCOME TAX EXPENSE/(CREDIT)

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Estimated current tax payable:				
Income tax	1,145,599	822,000	3,608,683	-
Deferred tax (Note 13)	(83,316)	(297,954)	-	126,000
	1,062,283	524,046	3,608,683	126,000
Under/(Over)provision:				
Income tax	291,632	(652,729)	-	32,997
Deferred tax (Note 13)	(102,320)	-	(126,000)	-
	189,312	(652,729)	(126,000)	32,997
	1,251,595	(128,683)	3,482,683	158,997

A numerical reconciliation of income tax expense/(credit) applicable to (loss)/profit before tax at the applicable statutory income tax rate to income tax expense/(credit) at the effective income tax rate is as follows:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
(Loss)/Profit before tax	(11,179,697)	(8,555,721)	14,196,742	(351,861)
Tax at the applicable tax rates:				
- 20% on the first RM500,000 chargeable income	-	129,747	-	-
- 25% (2008: 26%) on the remaining chargeable income	(2,794,924)	(2,393,159)	3,549,186	(91,484)
Tax effects of expenses not deductible	1,121,207	778,458	59,497	217,484
Deferred tax asset not recognised	2,736,000	2,009,000	-	-
Tax at effective tax rate	1,062,283	524,046	3,608,683	126,000
Under/(Over)provision in prior years (net)	189,312	(652,729)	(126,000)	32,997
Tax charged/(credited) to income statements	1,251,595	(128,683)	3,482,683	158,997

NOTES TO THE FINANCIAL STATEMENTS

(continued)

8. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

In year of assessment 2008, tax in respect of small and medium scale companies with paid-up capital of RM2,500,000 and below was calculated at the rate of 20% on chargeable income up to RM500,000. For chargeable income in excess of RM500,000, the statutory tax rate of 26% was applicable. However, with effect from year of assessment 2009, this preferential tax rate is no longer be applicable for companies that control or being controlled directly or indirectly by another company which has a paid-up ordinary share capital of more than RM2,500,000. Hence, with effect from January 1, 2009, the Group and the Company is subject to the normal statutory tax rate.

The statutory tax rate has been reduced to 25% from the previous year's tax rate of 26%, effective year of assessment 2009.

9. LOSS PER ORDINARY SHARE

The loss per ordinary share of the Group for the financial year has been calculated by dividing the Group's loss for the year attributable to equity holders of the Company of RM12,431,292 (2008: RM8,371,832) by the weighted average number of ordinary shares in issue of 120,000,000 (2008: 120,000,000).

There is no potential ordinary share in issue as of balance sheet date and therefore, no diluted earnings per share is presented.

10. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM	Freehold building RM	Office equipment, furniture and fittings RM	Computer and telecommunication equipment RM	Renovation RM	Electrical installation and signboards RM	Motor vehicles RM	Total RM
Cost								
At July 1, 2007	1,953,120	3,040,643	3,417,812	1,150,347	2,805,209	1,462,374	6,055,651	19,885,156
Additions	-	-	884,429	1,268,593	2,689,033	804,490	161,455	5,808,000
Disposals	-	-	(4,112)	(17,159)	(176,730)	-	(282,000)	(480,001)
Write-offs	-	-	(378,924)	(16,089)	(103,120)	(210,400)	-	(708,533)
Reclassification	-	-	(11,620)	(17,713)	-	-	29,333	-
Foreign exchange difference	-	-	16,065	1,609	98,168	-	13,307	129,149
At June 30, 2008/ July 1, 2008	1,953,120	3,040,643	3,923,650	2,369,588	5,312,560	2,056,464	5,977,746	24,633,771
Additions	-	-	338,918	504,539	1,668,542	426,249	679,573	3,617,821
Disposals	(376,650)	-	(53,860)	-	(660)	-	-	(431,170)
Write-offs	-	-	(416,122)	(18,752)	(287,534)	(383,776)	-	(1,106,184)
Reclassification	-	-	(56,644)	58,644	-	(2,000)	-	-
Foreign exchange difference	-	-	20,590	4,935	163,996	-	19,082	208,603
At June 30, 2009	1,576,470	3,040,643	3,756,532	2,918,954	6,856,904	2,096,937	6,676,401	26,922,841

NOTES TO THE FINANCIAL STATEMENTS

(continued)

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Freehold land RM	Freehold building RM	Office equipment, furniture and fittings RM	Computer and telecommunication equipment RM	Renovation RM	Electrical installation and signboards RM	Motor vehicles RM	Total RM
Accumulated Depreciation								
At July 1, 2007	-	197,221	948,937	685,812	1,482,596	799,170	2,633,533	6,747,269
Charge for the year	-	60,812	439,026	295,946	1,236,487	413,144	1,120,937	3,566,352
Disposals	-	-	(800)	(4,517)	(176,730)	-	(132,792)	(314,839)
Write-offs	-	-	(78,639)	(9,434)	(53,085)	(118,052)	-	(259,210)
Reclassification	-	-	(7,739)	7,300	-	-	439	-
Foreign exchange difference	-	-	10,701	380	51,497	-	12,053	74,631
At June 30, 2008/ July 1, 2008	-	258,033	1,311,486	975,487	2,540,765	1,094,262	3,634,170	9,814,203
Charge for the year	-	60,813	433,325	625,168	1,933,344	436,822	1,051,717	4,541,189
Disposals	-	-	(7,909)	-	(605)	-	-	(8,514)
Write-offs	-	-	(110,963)	(13,205)	(115,431)	(204,034)	-	(443,633)
Reclassification	-	-	(13,663)	13,844	-	(181)	-	-
Foreign exchange difference	-	-	8,566	1,160	62,911	-	3,812	76,449
At June 30, 2009	-	318,846	1,620,842	1,602,454	4,420,984	1,326,869	4,689,699	13,979,694
Net Book Value								
At June 30, 2009	1,576,470	2,721,797	2,135,690	1,316,500	2,435,920	770,068	1,986,702	12,943,147
At June 30, 2008	1,953,120	2,782,610	2,612,164	1,394,101	2,771,795	962,202	2,343,576	14,819,568

NOTES TO THE FINANCIAL STATEMENTS

(continued)

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Computer and telecommunication equipment RM	Electrical installation and signboards RM	Total RM
Cost			
At July 1, 2007	-	-	-
Additions	956,920	6,000	962,920
At June 30, 2008/July 1, 2008	956,920	6,000	962,920
Additions	198,807	-	198,807
At June 30, 2009	1,155,727	6,000	1,161,727
Accumulated Depreciation			
At July 1, 2007	-	-	-
Charge for the year	75,034	1,250	76,284
At June 30, 2008/July 1, 2008	75,034	1,250	76,284
Charge for the year	368,487	1,500	369,987
At June 30, 2009	443,521	2,750	446,271
Net Book Value			
At June 30, 2009	712,206	3,250	715,456
At June 30, 2008	881,886	4,750	886,636

As of June 30, 2009, included in property, plant and equipment of the Group are:

(a) Cost of fully depreciated assets which are still in use:

	The Group	
	2009 RM	2008 RM
Motor vehicles	1,233,792	355,415
Computer and telecommunication equipment	464,973	379,515
Electrical installation and signboard	365,816	259,050
Renovation	2,784,502	68,877
Office equipment, furniture and fittings	360,849	7,430
	5,209,932	1,070,287

NOTES TO THE FINANCIAL STATEMENTS

(continued)

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Net book value of assets under hire-purchase arrangements:

	The Group	
	2009 RM	2008 RM
Motor vehicles	878,545	495,678

11. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2009 RM	2008 RM
Unquoted shares - at cost	49,591,469	49,591,469
Less: Allowance for impairment in value of investment	(81,942)	(81,942)
	49,509,527	49,509,527

The subsidiary companies, all incorporated in Malaysia except as otherwise indicated, are as follows:

Direct subsidiary companies	Principal Activities	Effective Equity Interest	
		2009 %	2008 %
Healthy World Lifestyle Sdn. Bhd.	Design, marketing and retailing of health care equipment and supplementary appliances	100	100
Fujiiryoki (Malaysia) Sdn. Bhd.	Ceased operations and dormant	100	100
Ogawa Health-Care Sdn. Bhd.	Ceased operations and dormant	100	100
Ogawa Health-Care (KL) Sdn. Bhd.	Ceased operations and dormant	100	100
Ogawa Health-Care (Selangor) Sdn. Bhd.	Ceased operations and dormant	100	100
Ogawa Health-Care (East Malaysia) Sdn. Bhd.	Ceased operations and dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

(continued)

11. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Direct subsidiary companies	Principal Activities	Effective Equity Interest	
		2009 %	2008 %
Ogawa Care Services Sdn. Bhd.	Marketing, sales and servicing of health care equipment and supplementary appliances	100	100
Ogawa Health-Care Pte. Ltd.# (Incorporated in Singapore)	Marketing and retailing of health care equipment and supplementary appliances	100	100
Ogawaworld Evas Sdn. Bhd. (formerly known as Buzzard Event Sdn. Bhd.)	Dormant	100	100
Morwell Sdn. Bhd.	Dormant	100	100
Indirect subsidiary companies			
Ogawa Health-Care International (HK) Ltd. # (Incorporated in Hong Kong)	Marketing, retailing, distributing and servicing of health care equipment and supplementary appliances	99.45	99.45
Ogawa (Shanghai) Health-Care Equipment Co. Ltd. # (Incorporated in The People's Republic of China)	Marketing, retailing, distributing and servicing of health care equipment and supplementary appliances	100	100
Ogawa International Ltd. # (Incorporated in Hong Kong)	Marketing, retailing, distributing and servicing of health care equipment and supplementary appliances	100	-
Ogawa International (Aust) Pty. Ltd. # (Incorporated in Australia)	Marketing, retailing, distributing and servicing of health care equipment and supplementary appliances	100	-

The financial statements of these companies were audited by another firms of auditors other than the auditors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

11. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

On March 2, 2009, the Group incorporated a foreign subsidiary company in Hong Kong, Ogawa International Ltd. ("OIL") and subscribed for 10,000 of its paid-up share capital of HKD\$1.00 each representing 100% equity interest in OIL for a total cash consideration of HKD\$10,000.

On April 8, 2009, the Group incorporated a foreign subsidiary company in the state of New South Wales Australia, Ogawa International (Aust) Pty. Ltd. ("OIA") and subscribed for 500,000 of its paid-up share capital of AUD\$1.00 each representing 100% equity interest in OIA for a total cash consideration of AUD\$500,000.

The amount owing by/(to) subsidiary companies, which arose mainly from dividend receivable and advances to/(by) subsidiary companies, is unsecured, interest-free and has no fixed terms of repayment.

In 2008, the Company acquired the remaining equity interests held by the minority shareholders of the following subsidiary companies for a total cash consideration of RM2,003,161, based on the net tangible assets of the respective subsidiary companies as of June 30, 2007 and adjusted for any subsequent increase in their paid-up share capital. Upon the completion of the said exercise, the Company carried out an internal reorganisation exercise by transferring the operations of these subsidiary companies to another subsidiary company, Healthy World Lifestyle Sdn. Bhd., so as to streamline the operations of the Group.

Subsidiary Companies	2008	
	Total equity interest acquired %	Cash consideration RM
Fujiiryoki (Malaysia) Sdn. Bhd.	15.00	166,909
Ogawa Health-Care Sdn. Bhd.	6.85	240,014
Ogawa Health-Care (KL) Sdn. Bhd.	11.68	684,618
Ogawa Health-Care (Selangor) Sdn. Bhd.	11.23	396,656
Ogawa Health-Care (East Malaysia) Sdn. Bhd.	10.62	340,202
Ogawa Care Services Sdn. Bhd.	10.00	174,758
Ogawa Health-Care Pte. Ltd. ("OHCPL")	12.00	4
Total		2,003,161

In 2008, the Company subscribed for 2,986,000 new ordinary shares issued by OHCPL for a total consideration of RM7,214,176.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

12. GOODWILL ON CONSOLIDATION

	The Group	
	2009 RM	2008 RM
At cost:		
Balance at beginning of year	10,391	312,794
Arising from acquisition of minority shareholders' interest in subsidiary companies	-	150,587
Goodwill written off	-	(452,990)
Balance at end of year	10,391	10,391

13. DEFERRED TAX ASSET/(LIABILITY)

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Deferred Tax Asset				
Balance at beginning of year	47,508	30,523	-	-
Transfer from income statement (Note 8)	51,636	18,595	-	-
Foreign exchange difference	4,016	(1,610)	-	-
Balance at end of year	103,160	47,508	-	-
Deferred Tax Liability				
Balance at beginning of year	134,000	413,359	126,000	-
Transfer (to)/from income statement (Note 8)	(134,000)	(279,359)	(126,000)	126,000
Balance at end of year	-	134,000	-	126,000

The deferred tax asset/(liability) is in respect of tax effects of temporary differences arising from property, plant and equipment.

As mentioned in Note 3, the tax effects of temporary difference which would give rise to net deferred tax asset are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of June 30, 2009, the estimated amount of net deferred tax asset of the Group arising from unused tax losses, calculated at current tax rate which has not been recognised in the financial statements, amounted to approximately RM6,095,000 (2008: RM3,359,000).

NOTES TO THE FINANCIAL STATEMENTS

(continued)

14. INVENTORIES

	The Group	
	2009	2008
	RM	RM
Trading merchandise	13,422,716	14,780,389
Goods-in-transit	999,318	2,524,316
	14,422,034	17,304,705
Less: Allowance for obsolete inventories	(2,835,839)	-
	11,586,195	17,304,705

15. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group	
	2009	2008
	RM	RM
Trade receivables	21,308,429	22,285,074
Less: Allowance for doubtful debts	(13,245,601)	(3,311,700)
	8,062,828	18,973,374

Trade receivables comprise amounts receivable from the sale of goods. In 2008, trade receivables also included royalty income charged to foreign distributors. The credit period granted by the Group to its trade customers on these transactions ranged from 1 to 18 months (2008: 1 to 18 months).

During the financial year, bad debts of RM56,867 have been written off against the allowance for doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

15. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES (CONT'D)

Other receivables and prepaid expenses comprise:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Refundable deposits	5,660,327	6,006,463	2,000	2,000
Other receivables	777,973	2,535,977	43,498	2,301
Prepaid expenses	1,474,583	1,880,161	-	-
Tax recoverable	216,222	1,872,411	287,841	136,000
	8,129,105	12,295,012	333,339	140,301
Less: Allowance for doubtful debts	-	(836,360)	-	-
	8,129,105	11,458,652	333,339	140,301

Included in other receivables of the Group as of June 30, 2009 is an amount of RM Nil (2008: RM1,202,487) owing by the Group's foreign distributors arising from advertising and promotional expenses charged by the Group. The credit period granted by the Group was 12 months.

16. ISSUED CAPITAL

	The Company	
	2009 RM	2008 RM
Authorised:		
200,000,000 ordinary shares of RM0.50 each	100,000,000	100,000,000
Issued and fully paid:		
120,000,000 ordinary shares of RM0.50 each	60,000,000	60,000,000

17. RESERVES

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Share premium	7,249,903	7,249,903	7,249,903	7,249,903
Reverse acquisition reserve	(27,204,000)	(27,204,000)	-	-
Translation reserve	368,464	66,139	-	-
Unappropriated profit	16,512,370	28,943,662	10,983,786	269,727
	(3,073,263)	9,055,704	18,233,689	7,519,630

NOTES TO THE FINANCIAL STATEMENTS

(continued)

17. RESERVES (CONT'D)

Share premium

Share premium arose from the public issue of 17,200,800 ordinary shares of RM0.50 each at a premium of RM0.50 per share in 2007, net of shares issue expenses amounting to RM1,350,497.

Reverse acquisition reserve

Reverse acquisition reserve arose from the reverse acquisition of the Company by a subsidiary company in prior year as disclosed under Note 3.

Translation reserve

Exchange difference arising from translation of foreign incorporated subsidiary companies is taken to the translation reserve account as disclosed in the accounting policies.

Unappropriated profit

In accordance with the Finance Act 2007, the Company has elected to move to the single tier tax system on January 1, 2008. Under this single tier tax system, tax on a company's profits is a final tax and dividends distributed to shareholders will be exempted from tax.

18. HIRE-PURCHASE PAYABLES

	The Group	
	2009	2008
	RM	RM
Total outstanding	620,592	434,075
Less: Interest-in-suspense	(79,515)	(60,564)
	541,077	373,511
Less: Amount due within 12 months (shown under current liabilities)	(193,838)	(148,451)
Non-current portion	347,239	225,060

NOTES TO THE FINANCIAL STATEMENTS

(continued)

18. HIRE-PURCHASE PAYABLES (CONT'D)

The non-current portion is payable as follows:

	The Group	
	2009 RM	2008 RM
Financial year ending:		
2010	-	130,635
2011	146,328	83,125
2012	74,503	11,300
2013	63,203	-
2014	63,205	-
	347,239	225,060

It is the Group's policy to acquire certain of its property, plant and equipment under hire-purchase arrangements and the average term is about 2 to 5 years. The interest rates implicit in the hire-purchase obligations range from 2.68% to 6.81% (2008: 4.84% to 12.80%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements. The hire-purchase payables are secured by a charge over the assets under hire-purchase as disclosed in Note 10.

19. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amounts outstanding from trade purchases and ongoing costs. The average credit period granted to the Group for trade purchases is 30 days (2008: 30 days).

Foreign currencies exposure of trade payables are as follows:

	The Group	
	2009 RM	2008 RM
United States Dollar	5,457,443	7,366,165
Chinese Renminbi	4,054,937	2,608,262
Ringgit Malaysia	48,901	99,586
Australian Dollar	6,113	-
Indonesia Rupiah	3,469	-
Singapore Dollar	-	10,838
	9,570,863	10,084,851

NOTES TO THE FINANCIAL STATEMENTS

(continued)

19. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)

Other payables and accrued expenses consist of the following:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Accrued expenses	5,442,090	7,123,150	190,898	351,899
Deposits received	6,548,162	3,753,898	-	-
Other payables	3,602,488	3,462,587	79,086	80,547
	15,592,740	14,339,635	269,984	432,446

20. AMOUNT OWING TO DIRECTORS

Amount owing to directors, which arose mainly from directors' remuneration payable and expenses paid on behalf, is unsecured, interest free and has no fixed terms of repayment.

21. SEGMENTAL INFORMATION

Business Segments

The Group operates solely in the business segment involving the design, development, distributing and servicing of health care equipment and supplementary appliances.

Geographical Segments

The Group's activities are located in Malaysia, Singapore, People's Republic of China and Hong Kong. In addition, a Malaysian incorporated subsidiary company also exports its products to Indonesia, Australia, Vietnam, Thailand, Myanmar and Saudi Arabia via distributors.

The following is an analysis of the Group's external revenue by geographical markets, irrespective of the origin of the goods/services:

	Sales revenue by geographical market	
	2009 RM	2008 RM
Malaysia	85,718,723	95,958,236
Australia and other Asian countries	42,833,657	37,318,595
	128,552,380	133,276,831

NOTES TO THE FINANCIAL STATEMENTS

(continued)

21. SEGMENTAL INFORMATION (CONT'D)

The following is an analysis of the carrying amount of segment assets and capital additions by the geographical areas in which the assets are located:

	Carrying amount of segment assets		Capital additions	
	2009 RM	2008 RM	2009 RM	2008 RM
Malaysia	64,450,165	80,220,023	2,083,878	3,984,162
Australia and other Asian countries	18,855,246	14,783,327	1,533,943	1,823,838
	83,305,411	95,003,350	3,617,821	5,808,000

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The Group has taken measures to minimise its exposure to risks and/or costs associated with the financing, investing and operating activities of the Group. The Group uses derivative financial instruments such as foreign exchange forward contracts to hedge certain exposures. The Group does not hold or issue derivative financial instruments for speculative purposes.

(i) Foreign currency risk

The Group is exposed to foreign currency risk through trade purchases from overseas suppliers quoted mainly in United States Dollar and Chinese Renminbi and is therefore exposed to foreign exchange risk. The Group reviews the position of amounts outstanding from these foreign currency denominated transactions periodically so as to mitigate the negative impact arises from fluctuation in exchange rates on a timely basis.

(ii) Interest rate risk

As the Group's hire-purchase payable is subject to fixed interest rate, it does not have material exposure to interest rate risk.

(iii) Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments.

The Group is exposed to credit risk mainly from its trade receivables. The Company extends credit to its customers based on careful evaluation of the customers' financial condition and credit history.

The Group's exposure to credit risk in relation to its trade receivables, should all its customers fail to perform their obligations as of June 30, 2009, is the carrying amount of these receivables as disclosed in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Liquidity risk

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

(v) Cash flow risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Off Balance Sheet Derivative Financial Instruments

The Group enters into forward exchange contracts to control and manage foreign currency risks arising from its operations. The use of forward contracts is to manage its exposures to fluctuations in foreign exchange rates. These instruments are not recognised in the financial statements on inception.

Foreign Currency Forward Contracts

In order to hedge its exposure to foreign exchange risks, the Group enters into foreign currency forward contracts.

At the balance sheet date, the Group had contracted to buy the following amounts under forward contracts:

	2009 RM	2008 RM	Average Exchange Rate per unit of Ringgit Malaysia 2009 RM	2008 RM
United States Dollar	2,240,080	-	3.5224	-

All of these contracts mature within three months of the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair Values of Financial Assets and Financial Liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities and amounts payable approximate their respective fair values due to the relatively short-term maturity of these financial instruments, except for the following financial liabilities:

	The Group 2009		The Group 2008	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Hire-purchase payables (Note 18)	541,077	481,738	373,511	322,263
Foreign currency forward contracts	-	13,127	-	-

The fair value of hire-purchase payable is estimated using the discounted cash flow method based on current borrowing rates ranging from 2.68% to 6.81% (2008: 3.1% to 9.34%) per annum for similar types of borrowing arrangements.

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short-term deposits with licensed banks	21,519,539	19,446,341	19,826,000	17,800,000
Cash and bank balances	20,951,046	12,942,811	2,171,970	7,343,292
	42,470,585	32,389,152	21,997,970	25,143,292

The short-term deposits with licensed banks bear interest at rates ranging from 1% to 3.7% (2008: 3% to 3.5%) per annum and have an average maturity period of 63 days (2008: 60 days).

NOTES TO THE FINANCIAL STATEMENTS

(continued)

24. CONTINGENT LIABILITIES

On September 15, 2005, the Group received a letter from the solicitors acting for a foreign manufacturer, alleging infringement of a product design allegedly owned by the said foreign manufacturer which is similar in design to one of the Group's foot massagers. Since then, there has been no further development in the allegation. The directors acting on the advice of the solicitors of the Group are of the opinion that the allegation has no merit and losses arising therefrom is remote, accordingly, no provision has been recognised in the financial statements.

Contingent liability arising from performance guarantee of its wholly owned subsidiary companies stipulated under the respective tenancy agreements entered into between the wholly owned subsidiary companies of the Company and the landlords is as follows:

	The Company	
	2009 RM	2008 RM
Corporate guarantee	912,800	1,153,000

25. DIVIDEND

In 2008, a final dividend of 2.5 sen per ordinary share, less 26%, amounting to RM2,220,000 was paid in respect of the prior financial year ended June 30, 2007.

26. COMMITMENTS

At the balance sheet date, the Group has outstanding commitments under non-cancellable operating leases of the outlets, which fall due as follows:

	The Group Future Minimum Lease Payments	
	2009 RM	2008 RM
Within one year	8,179,857	9,072,975
In the second to fifth years inclusive	5,045,326	12,438,567
	13,225,183	21,511,542

NOTES TO THE FINANCIAL STATEMENTS

(continued)

27. RELATED PARTIES TRANSACTIONS

Other than the directors' remuneration as disclosed in Note 6, significant related party transaction is as follows:

Transactions	Relationship	Group	
		2009 RM	2008 RM
Purchase of motor vehicle from Mr. Cheah Yew Keng	Family member of Mr. Cheah Yew Kong	70,000	-
Consultancy fee	A person connected to a director of the Company and the subsidiary companies	-	52,000

STATEMENT BY DIRECTORS/ DECLARATION BY THE OFFICER

STATEMENT BY DIRECTORS

The directors of **OGAWA WORLD BERHAD** state that, in their opinion, the accompanying balance sheets and the related statements of income, cash flows and changes in equity, are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of June 30, 2009 and the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

WONG LEE KEONG

Petaling Jaya,
August 25, 2009

LIM POH KHIAN

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **CHEW ENG LOKE**, the Officer primarily responsible for the financial management of **OGAWA WORLD BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and the related statements of income, cash flows and changes in equity are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

CHEW ENG LOKE

Subscribed and solemnly declared by the
abovenamed **CHEW ENG LOKE** at
PETALING JAYA this 25th day of
August, 2009.

Before me,

S. SELVARAJAH (NO: B144)

LIST OF PROPERTIES

OTHER COMPLIANCE MATTERS

Landed Properties Owned by the Group as at 30 June 2009 are set out below:

Registered Owners	Title/Location/ Postal Address	Description/ Existing Use	Land area/ Built up area	Tenure (years)	Age of Building	Year Lease Expiring	Audited net book value as at 30.6.2009 RM'000	Date of Acquisition
Healthy World	HSD 54845, No. PT 56248, Mukim and District of Klang, Selangor / No. 22, Jalan Anggerik Mokara 31/47, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan.	Head office and warehouse	45,042 sq ft / 7,642 sq ft	Freehold	5	Not Applicable	4,299	16-07-02

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2009

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid-Up Share Capital	:	RM60,000,000.00
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per share

Size of Shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares held	% of Issued Capital
Less than 100	6	0.336	157	0.000
100 to 1,000	346	19.351	318,100	0.265
1,001 to 10,000	975	54.530	4,572,293	3.810
10,001 to 100,000	375	20.973	11,854,950	9.879
100,001 to 5,999,999 (less than 5% of issued shares)	84	4.698	42,054,500	35.046
6,000,000 (5% of issued shares) and above	2	0.112	61,200,000	51.000
TOTAL	1,788	100.000	120,000,000	100.000

DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2009

In the Holding Company Great Genesis Sdn Bhd

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Wong Lee Keong	17,291	28.251	-	-
Lim Poh Khian	15,147	24.749	-	-
Lim Mee Ling	8,568	14.000	⁽¹⁾ 11,628	18.999
Cheah Yew Kong	8,568	14.000	-	-
Chong Swee Main	6,732	11.000	-	-
Lim Wai Heng	4,896	8.000	⁽²⁾ 15,300	24.999

Notes:

1. Deemed interested in shares held by her sibling, Lim Wai Heng, and her brother-in-law, Chong Swee Main.
2. Deemed interested in shares held by his sibling, Lim Mee Ling, and his brother-in-law, Chong Swee Main.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2009 (continued)

In the Company Ogawa World Berhad

Name	←-----Direct-----→		←-----Indirect-----→	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Wong Lee Keong	1,057,700	0.881	⁽¹⁾ 61,200,000	51.000
Lim Poh Khian	951,700	0.793	⁽¹⁾ 61,200,000	51.000
Lim Mee Ling	483,300	0.403	⁽²⁾ 62,428,400	52.024
Cheah Yew Kong	363,300	0.303	⁽³⁾ 61,406,600	51.172
Chong Swee Main	367,900	0.307	⁽⁴⁾ 61,813,600	51.511
Lim Wai Heng	196,900	0.164	⁽⁵⁾ 62,714,800	52.262
Y.T.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah	10,000	0.008	-	-
Dr Ahmad Kamal Bin Md Alif	10,000	0.008	-	-
Leong Khai Cheong	10,000	0.008	-	-

Notes:

1. Deemed interested in the shares held by Great Genesis Sdn Bhd by virtue of Section 6A of the Companies Act, 1965.
2. Deemed interested in the shares held by Great Genesis Sdn Bhd by virtue of Section 6A of the Companies Act, 1965 and shares held by her siblings, Lim Wai Heng, Lim Mee Fong and Lim Mee Yen, and her brother-in-law, Chong Swee Main.
3. Deemed interested in the shares held by Great Genesis Sdn Bhd by virtue of Section 6A of the Companies Act, 1965 and shares held by his brother, Cheah Yew Keng.
4. Deemed interested in the shares held by Great Genesis Sdn Bhd by virtue of Section 6A of the Companies Act, 1965 and shares held by his spouse, Lim Mee Fong.
5. Deemed interested in the shares held by Great Genesis Sdn Bhd by virtue of Section 6A of the Companies Act, 1965 and shares held by his siblings, Lim Mee Ling, Lim Mee Fong and Lim Mee Yen, and his brother-in-law, Chong Swee Main.

In an indirect subsidiary company Ogawa Health-Care International (HK) Ltd

Direct Interest	No. of ordinary shares of HK\$1 each	
	No. of Shares Held	% of Issued Capital
Lim Mee Ling	15,000	0.136
Cheah Yew Kong	15,000	0.136

By virtue of their interests in the shares of the Company, Wong Lee Keong, Lim Poh Khian, Lim Mee Ling, Cheah Yew Kong, Chong Swee Main and Lim Wai Heng are deemed to have an interest in the shares of all the subsidiary companies to the extent the Company has an interest.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2009 (continued)

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2009

Name	←-----Direct-----→		←-----Indirect-----→	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Great Genesis Sdn Bhd	61,200,000	51.000	-	-
Wong Lee Keong	1,057,700	0.881	⁽¹⁾ 61,200,000	51.000
Lim Poh Khian	951,700	0.793	⁽¹⁾ 61,200,000	51.000
Lim Mee Ling	483,300	0.403	⁽²⁾ 62,428,400	52.024
Cheah Yew Kong	363,300	0.303	⁽³⁾ 61,406,600	51.172
Chong Swee Main	367,900	0.307	⁽⁴⁾ 61,813,600	51.511
Lim Wai Heng	196,900	0.164	⁽⁵⁾ 62,714,800	52.262

Notes:

1. Deemed interested in the shares held by Great Genesis Sdn Bhd by virtue of Section 6A of the Companies Act, 1965.
2. Deemed interested in the shares held by Great Genesis Sdn Bhd by virtue of Section 6A of the Companies Act, 1965 and shares held by her siblings, Lim Wai Heng, Lim Mee Fong and Lim Mee Yen, and her brother-in-law, Chong Swee Main.
3. Deemed interested in the shares held by Great Genesis Sdn Bhd by virtue of Section 6A of the Companies Act, 1965 and shares held by his brother, Cheah Yew Keng.
4. Deemed interested in the shares held by Great Genesis Sdn Bhd by virtue of Section 6A of the Companies Act, 1965 and shares held by his spouse, Lim Mee Fong.
5. Deemed interested in the shares held by Great Genesis Sdn Bhd by virtue of Section 6A of the Companies Act, 1965 and shares held by his siblings, Lim Mee Ling, Lim Mee Fong and Lim Mee Yen, and his brother-in-law, Chong Swee Main.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2009 (continued)

THIRTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2009

	No. of Shares	% of Issued Capital
1. GREAT GENESIS SDN BHD	51,200,000	42.667
2. M.I.T NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GREAT GENESIS SDN BHD (MG0152-171)	10,000,000	8.333
3. NG HOCK GUAN	4,794,300	3.995
4. AIBB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN BOON SENG	2,577,200	2.148
5. KONG POK SENG	1,719,400	1.433
6. YONG SIEW KIM	1,506,900	1.256
7. HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOPERASI PENDIDIKAN ISLAM MALAYSIA BERHAD (M09)	1,270,000	1.058
8. HOW DAI KOAN	1,255,900	1.046
9. M.I.T NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YIM WAI MUN (MG0123-171)	1,227,500	1.023
10. WONG MEE LING	1,100,000	0.917
11. A.A. ANTHONY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WOON YUEN LIAN	982,000	0.818
12. LIM KOK KIEN	928,900	0.774
13. YEOH AH TU	924,900	0.771
14. A.A. ANTHONY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW PENG YAN	894,000	0.745
15. BHLB TRUSTEE BERHAD TA GROWTH FUND	850,000	0.708
16. BHLB TRUSTEE BERHAD TA SMALL CAP FUND	850,000	0.708
17. ZOU JIANHAN	800,000	0.667
18. EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR MOHD ISA BIN OMAR (SFC)	786,000	0.656

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2009 (continued)

THIRTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2009

	No. of Shares	% of Issued Capital
19. OSK NOMINEES (TEMPATAN) SDN BERHAD PLEDGED SECURITIES ACCOUNT FOR CHAN OI ING	721,600	0.601
20. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIA KEE SIONG	712,000	0.593
21. TAN BOON HOOI	700,000	0.583
22. CITIGROUP NOMINEES (ASING) SDN BHD UBS AG SINGAPORE FOR EMBASSY GROUP INC.	645,000	0.537
23. LIM MEE FONG	613,600	0.511
24. CHONG YUNN FAN	547,000	0.456
25. YAP KIANG SIANG	541,800	0.452
26. WONG LEE KEONG	539,700	0.450
27. WONG LEE KEONG	518,000	0.432
28. NG LAI YIN	510,000	0.425
29. NG CHU MOOI	506,100	0.422
30. LIM POH KHIAN	484,000	0.403
TOTAL	90,705,800	75.588

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OGAWA WORLD BERHAD

(Company No. 712499-V)
(Incorporated in Malaysia)

CDS account no. of authorised nominee

PROXY FORM

I/We _____ NRIC / Co.No. _____ of _____ being a member of the

Company, hereby appoint _____

NRIC / Co.No. _____ of _____ or failing whom, _____

NRIC / Co.No. _____ of _____ or failing whom *the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fourth

Annual General Meeting of the Company to be held at Danau 1-2 Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Tuesday, 24 November 2009 at 9.30 a.m. and at each and every adjournment thereof.

* Please delete the words "the Chairman of the Meeting" if you wish to appoint some other person to be your proxy.

My/our proxy is to vote as indicated below: -

	RESOLUTIONS		FOR	AGAINST
1	Adoption of the Audited Financial Statements for the financial year ended 30 June 2009 and Directors' and Auditors' Reports thereon	Ordinary Resolution 1		
2	Approval of the increase and payment of Directors' Fee	Ordinary Resolution 2		
3	Re-election of Mr Chong Swee Main as Director	Ordinary Resolution 3		
4	Re-election of Mr Cheah Yew Kong as Director	Ordinary Resolution 4		
5	Re-election of Mr Lim Wai Heng as Director	Ordinary Resolution 5		
6	Re-appointment of Messrs Deloitte KassimChan as Auditors of the Company and authorise the Directors to fix their remuneration	Ordinary Resolution 6		
7	Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares	Ordinary Resolution 7		

In case of a vote by a show of hands, my proxy _____ (one name only) shall vote on my/our behalf.

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Signature/Common Seal

Number of shares held : _____

Date : _____

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

NOTES :

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149 (1) (b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account held by it with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member appoints two (2) proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointments shall be invalid.
4. The instrument appointing a proxy shall be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, under its Common Seal or signed by an officer or attorney so authorised.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney must be deposited at Tricor Investor Services Sdn. Bhd. of Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

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AFFIX
STAMP

REGISTRAR OF OGAWA WORLD BERHAD

Tricor Investor Services Sdn Bhd

Level 17
The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

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