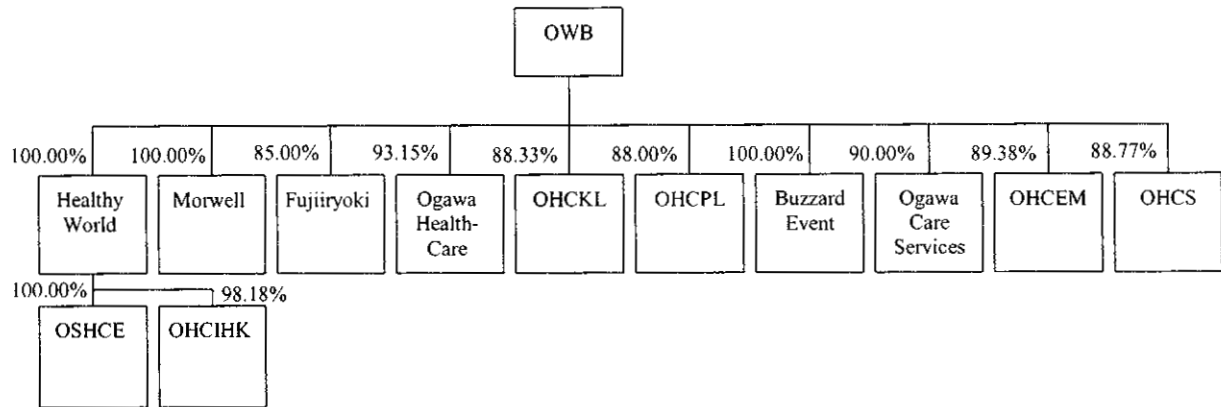


5. INFORMATION ON OUR GROUP

5.1 History

We were incorporated in Malaysia as a public limited company on 12 October 2005 under the Act. We are principally an investment holding company whilst our subsidiaries are principally involved in design and development, marketing, retailing and distribution, and servicing of health care equipment and supplementary appliances under our own brand names, OGAWA and DEKI. Our Group's corporate structure is as follows:



Our Group's history can be traced back to 1986 when our co-founders, Mr Wong Lee Keong and Ms Lim Poh Khian, incorporated Morwell to commence business in the trading of household and electrical products such as water purifiers, kitchenware and cooking appliances in Malaysia. Armed with several years of exposure in the household market, our co-founders had visualised the vast market potential for the health and wellness equipment and subsequently, incorporated Healthy & Nice in 1996 to venture into the health and wellness equipment market. Following the incorporation of Healthy & Nice, Morwell subsequently changed its business focus to primarily procure the supply of health and wellness equipment for Healthy & Nice.

Healthy & Nice was initially marketing and retailing a range of small massaging equipment and water filters. Our co-founders realised that to expand our business, we would need to increase our product range and create market awareness for our health and wellness equipment products. Hence, our business strategy from the start was to appoint external manufacturers to manufacture our products while we concentrate on our product design and brand development. Consequently, we created our brand OGAWA and began to undertake extensive marketing campaigns to promote and create awareness of our brand name in the health and wellness equipment market. Since 1996, we have introduced various new designs and marketed all our health and wellness equipment products under our established brand name OGAWA.

Following the growth of our business, we incorporated Healthy World in 2001 and the business of Healthy & Nice was subsequently transferred to Healthy World. This was in line with our business strategy to strengthen our brand name in the health and wellness equipment market by repositioning the OGAWA brand under the company name "Healthy World Lifestyle" to provide a better reflection of our corporate image and commitment to generate health awareness and promote the healthy lifestyle concept globally. We managed to expand our business operations and widen our distribution and retailing network in both East and West Malaysia. We have further expanded our business and established our own retail networks in Singapore, China and Hong Kong through our subsidiaries OHCPL, OSHCE and OHCIHK respectively. Our health and wellness equipment products are also distributed in Indonesia, Australia and Vietnam.

5. INFORMATION ON OUR GROUP (Cont'd)

Our strategy to appoint external manufacturers to manufacture our products has contributed to the rapid growth of our business as we are able to focus our resources on product design, brand building, and expansion of our marketing and distribution network. Currently, our range of health and wellness equipment products comprise of various relaxation, therapeutic, fitness, diagnostic and hygiene products. We have also established our position as the leading Malaysian brand in the local health and wellness equipment market. Hence, we regard our brand names as critical to our continued success. We have registered OGAWA as trademark in nine (9) countries and territories spanning Asia Pacific and Europe as at 22 February 2007. The trademark applications for OGAWA are also pending registration in several other countries. We have also submitted trademark applications for DEKI in Malaysia. As at 22 February 2007, our distribution network comprises 108 retail outlets and permanent counters located in Malaysia, Singapore, China and Hong Kong while our appointed sole distributors operate 33 retail outlets in Indonesia, Australia and Vietnam.

5.2 Share Capital

Presently, our authorised share capital is RM100,000,000 comprising 200,000,000 Shares. The issued and paid-up share capital is RM51,399,600 comprising 102,799,200 Shares.

The changes in our issued and paid-up share capital since incorporation are as follows:

Date of allotment	No. of Shares allotted	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
12.10.2005	2,000	0.50	Subscribers' shares	1,000
03.01.2007	73,426,000	0.50	Acquisitions	36,714,000
28.02.2007	29,371,200	0.50	Rights Issue of 2 for 5	51,399,600

5.3 Flotation Exercise

In conjunction with, and as an integral part of the listing and quotation for our entire issued and paid-up share capital on the Main Board of Bursa Securities, we undertook the following exercises which was approved by the SC (and approval under the FIC's Guideline on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests), vide its letter dated 6 December 2006.

5.3.1 Acquisitions

5.3.1.1 Acquisition of Healthy World

OWB entered into a conditional share sale agreement ("SSA") dated 16 November 2005 and two (2) supplemental agreements to the SSA dated 1 August 2006 and 28 December 2006 respectively, with the vendors of Healthy World for the acquisition of the entire issued and paid-up share capital of Healthy World comprising 1,200,000 shares of RM1.00 each for a consideration of RM28,403,000 satisfied by the issuance of 56,806,000 new Shares at par.

5. INFORMATION ON OUR GROUP (Cont'd)

The vendors of Healthy World, the number of shares that were acquired by OWB and the number of new Shares that were issued to them pursuant to the Acquisition of Healthy World are as follows:

	No. of shares acquired by OWB	% of issued and paid-up share capital	Purchase Consideration RM	No. of Shares issued
Wong Lee Keong	288,000	24.00	6,817,000	13,634,000
Lim Poh Khian	312,000	26.00	7,385,000	14,770,000
Lim Mee Ling	180,000	15.00	4,260,000	8,520,000
Cheah Yew Kong	180,000	15.00	4,260,000	8,520,000
Chong Swee Main	132,000	11.00	3,125,000	6,250,000
Lim Wai Heng	108,000	9.00	2,556,000	5,112,000
	<u>1,200,000</u>	<u>100.00</u>	<u>28,403,000</u>	<u>56,806,000</u>

The purchase consideration of RM28,403,000 for the Acquisition of Healthy World was agreed upon on a "willing-buyer willing-seller" basis after taking into consideration the audited consolidated NTA of Healthy World of RM28,402,937 as at 30 June 2006.

The Acquisition of Healthy World was completed on 3 January 2007.

5.3.1.2 Acquisitions of Subsidiaries

OWB entered into a conditional SSA dated 16 November 2005 and two (2) supplemental agreements to the SSA dated 1 August 2006 and 28 December 2006 respectively with the vendors of the subsidiaries of Healthy World for the acquisition of a portion of their equity interests in the subsidiaries of Healthy World, for a total consideration of RM1,398,000 satisfied by the issuance of 2,796,000 new Shares at par.

The vendors of the subsidiaries of Healthy World, the number of shares that were acquired by OWB and the number of new Shares that were issued to them pursuant to the Acquisitions of Subsidiaries are as follows:

	No. of shares acquired by OWB	% of issued and paid- up share capital	Purchase Consideration RM	No. of Shares issued
<i>Vendor of Fujiiryoki</i>				
Lee Kok Leong	22,500	15.00	100,000	200,000
<i>Vendors of Ogawa Health-Care</i>				
Chong Yunn Fan	56,000	5.60	182,000	364,000
Khor Khang Lee	12,500	1.25	41,000	82,000
Total	<u>68,500</u>	<u>6.85</u>	<u>223,000</u>	<u>446,000</u>

5. INFORMATION ON OUR GROUP (Cont'd)

	No. of shares acquired by OWB	% of issued and paid-up share capital	Purchase Consideration RM	No. of Shares issued
<i>Vendors of OHCKL</i>				
Lim Mee Fong	38,850	3.89	114,000	228,000
Lim Hor Guan	24,250	2.43	71,000	142,000
Yong Chien Hon	10,250	1.02	30,000	60,000
Chong Wei Seong	8,900	0.89	26,000	52,000
Chan Wen Ming	7,000	0.70	20,000	40,000
Phang Jia Wen	5,000	0.50	15,000	30,000
Koo Hau Boon	22,500	2.25	66,000	132,000
Total	116,750	11.68	342,000	684,000
<i>Vendors of Ogawa Care Services</i>				
Peh Koon Wooi	4,500	5.00	51,000	102,000
Wong Kuan Tak	4,500	5.00	51,000	102,000
Total	9,000	10.00	102,000	204,000
<i>Vendors of OHCPPL</i>				
Wong Mei Wan	7,980	7.00	81,000	162,000
Lim Mee Fong	5,700	5.00	58,000	116,000
Total	13,680	12.00	139,000	278,000
<i>Vendors of OHCEM</i>				
Tham Kok Hoong	31,000	3.10	65,000	130,000
Lai Khong Wei	19,000	1.90	40,000	80,000
Lee Tian An	17,000	1.70	36,000	72,000
Yek Tiew Chuang	15,000	1.50	31,000	62,000
Cheah Yew Keng	25,000	2.50	52,000	104,000
Total	107,000	10.70	224,000	448,000
<i>Vendors of OHCS</i>				
Chong Wei Kuen	43,000	4.30	102,000	204,000
Loke Foong Wah	26,000	2.60	61,000	122,000
Chew Tuck Wai	22,000	2.20	52,000	104,000
Yong Suh Fen	22,500	2.25	53,000	106,000
Total	113,500	11.35	268,000	536,000

The purchase consideration of RM1,398,000 for the Acquisitions of Subsidiaries were arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NTA of the respective subsidiaries of Healthy World.

5. INFORMATION ON OUR GROUP (Cont'd)

Further details on the purchase considerations are as follows:

Company	% of equity interest acquired by OWB	Share of NTA @ 30 June 2006 RM	Purchase consideration RM
Fujiiryoki	15.00	99,766	100,000
Ogawa Health-Care	6.85	222,407	223,000
OHCKL	11.68	342,041	342,000
Ogawa Care Services	10.00	102,633	102,000
OHCPPL	12.00	138,069	139,000
OHCEM	10.70	224,496	224,000
OHCS	11.35	267,998	268,000
TOTAL			1,398,000

The Acquisitions of Subsidiaries were completed on 3 January 2007.

5.3.1.3 Acquisition of Morwell

OWB entered into a conditional SSA dated 16 November 2005 and two (2) supplemental agreements to the SSA dated 1 August 2006 and 28 December 2006 respectively with the vendors of Morwell for the acquisition of the entire issued and paid-up share capital of Morwell comprising 200,000 shares of RM1.00 each for a consideration of RM6,912,000 satisfied by the issuance of 13,824,000 new Shares at par.

The vendors of Morwell, the number of shares that were acquired by OWB and the number of new Shares that were issued to them pursuant to the Acquisition of Morwell are as follows:

	No. of shares acquired by OWB	% of issued and paid-up share capital	Purchase Consideration RM	No. of Shares issued
Wong Lee Keong	130,000	65.00	4,493,000	8,986,000
Lim Poh Khian	70,000	35.00	2,419,000	4,838,000
	200,000	100.00	6,912,000	13,824,000

The purchase consideration of RM6,912,000 for the Acquisition of Morwell was agreed upon on a "willing-buyer willing-seller" basis after taking into consideration the audited NTA of Morwell of RM6,911,869 as at 30 June 2006.

The Acquisition of Morwell was completed on 3 January 2007.

Upon completion of the Acquisitions, our issued and paid-up share capital has increased from RM1,000 comprising 2,000 Shares to RM36,714,000 comprising 73,428,000 Shares.

5. INFORMATION ON OUR GROUP *(Cont'd)*

5.3.2 Corporate Reorganisation

After the completion of the Acquisitions, OWB undertook an internal reorganisation of the OWB Group, which entailed the following acquisitions by OWB from Healthy World, its wholly owned subsidiary:

- (i) The acquisition of 105,000 ordinary shares of RM1.00 each in Fujiiryoki representing 70.00% of the issued and paid-up share capital of Fujiiryoki for a cash consideration of RM105,000;
- (ii) The acquisition of 863,000 ordinary shares of RM1.00 each in Ogawa Health-Care representing 86.30% of the issued and paid-up share capital of Ogawa Health-Care for a cash consideration of RM863,000;
- (iii) The acquisition of 766,500 ordinary shares of RM1.00 each in OHCKL representing 76.65% of the issued and paid-up share capital of OHCKL for a cash consideration of RM766,500;
- (iv) The acquisition of 100,000 ordinary shares of RM1.00 each in Buzzard Event representing 100.00% of the issued and paid-up share capital of Buzzard Event for a cash consideration of RM18,058;
- (v) The acquisition of 72,000 ordinary shares of RM1.00 each in Ogawa Care Services representing 80.00% of the issued and paid-up share capital of Ogawa Care Services for a cash consideration of RM88,020;
- (vi) The acquisition of 86,640 ordinary shares of SGD1.00 each in OHCPL representing 76.00% of the issued and paid-up share capital of OHCPL for a cash consideration of RM177,612;
- (vii) The acquisition of 786,800 ordinary shares of RM1.00 each in OHCEM representing 78.68% of the issued and paid-up share capital of OHCEM for a cash consideration of RM786,800; and
- (viii) The acquisition of 774,200 ordinary shares of RM1.00 each in OHCS representing 77.42% of the issued and paid-up share capital of OHCS for a cash consideration of RM774,200.

The considerations for the Corporate Reorganisation were arrived at based on the net carrying value of Healthy World's cost of investment in the respective companies.

5.3.3 Rights Issue

After the completion of the Acquisitions, we undertook a rights issue of 29,371,200 new Shares, at an issue price of RM0.50 per Share, on a renounceable basis of two (2) Rights Shares for every five (5) existing Shares held after the Acquisitions.

The Rights Issue was completed on 28 February 2007 and our issued and paid-up share capital was further increased from RM36,714,000 comprising 73,428,000 Shares to RM51,399,600 comprising 102,799,200 Shares.

5. INFORMATION ON OUR GROUP (Cont'd)

5.3.4 Share Transfer

During the prescription period, the Promoters will transfer a portion of their Shares amounting to 61,200,000 Shares to Great Genesis in consideration for 61,200 ordinary shares of RM1.00 each in Great Genesis to be issued at par and the balance will remain as amount owing from Great Genesis to the Promoters. Further details of the Share Transfer are set out below:

Promoters	No. of Shares held before Share Transfer	No. of Shares to be transferred	No. of Shares held after Share Transfer	%
Wong Lee Keong	31,670,800	19,600,000	12,070,800	11.74
Lim Poh Khian	27,451,200	16,990,000	10,461,200	10.18
Lim Mee Ling	11,928,000	7,380,000	4,548,000	4.42
Cheah Yew Kong	11,928,000	7,380,000	4,548,000	4.42
Chong Swee Main	8,750,000	5,420,000	3,330,000	3.24
Lim Wai Heng	7,156,800	4,430,000	2,726,800	2.65
TOTAL	98,884,800	61,200,000	37,684,800	36.65

5.3.5 IPO

5.3.5.1 Public Issue

The 17,200,800 new Shares to be issued at the IPO Price pursuant to the Public Issue which represent approximately 14.33% of our enlarged issued and paid-up share capital will be allocated in the following manner:

(i) Malaysian Public

6,000,000 Public Issue Shares, representing 5.00% of our enlarged issued and paid-up share capital will be made available for application by the Malaysian Public, of which at least 30% shall be set aside strictly for Bumiputera investors.

(ii) Eligible Directors and employees and other persons who have contributed to the success of our Group

6,000,000 Public Issue Shares, representing 5.00% of our enlarged issued and paid-up share capital will be made available for application by the eligible Directors and employees, and persons who have contributed to the success of our Group.

(iii) Private placement

5,200,800 Public Issue Shares, representing approximately 4.33% of our enlarged issued and paid-up share capital will be made available for application by way of private placement to selected investors.

5. INFORMATION ON OUR GROUP (Cont'd)

5.3.5.2 Offer For Sale

The Offer For Sale of 36,000,000 Shares representing 30.00% of our enlarged issued and paid-up share capital, at the IPO Price to Bumiputera investors approved by the MITI.

Upon completion of the IPO, our issued and paid-up share capital will increase from RM51,399,600 comprising 102,799,200 Shares to RM60,000,000 comprising 120,000,000 Shares credited as fully issued and paid-up.

5.3.6 Listing

Upon completion of the IPO, we will seek a listing of and quotation for our entire issued and paid-up share capital of RM60,000,000 comprising 120,000,000 Shares on the Main Board of Bursa Securities.

5.4 Business Overview of Our Group

5.4.1 Group Structure and Principal Activities

Our Group is principally involved in design and development, marketing, retailing and distribution, and servicing of health care equipment and supplementary appliances under our own brand names, OGAWA and DEKI.

The principal activities of our subsidiaries are as follows:

Name of company (Registration number)	Date and Country of incorporation	Authorised share capital RM	Issued and paid-up share capital RM	Effective interest held %	Principal activities
Healthy World (550497-K)	18.06.2001 Malaysia	5,000,000	1,200,000	100.00	Design and development, marketing, retailing and distribution, and servicing of health care equipment and supplementary appliances.
Morwell (155516-A)	26.08.1986 Malaysia	500,000	200,000	100.00	Import and marketing of health care equipment and supplementary appliances.
Fujiiryoki (390137-U)	11.06.1996 Malaysia	500,000	150,000	85.00	Marketing and retailing of health care equipment and supplementary appliances.
Ogawa Health-Care (560752-X)	05.10.2001 Malaysia	1,000,000	1,000,000	93.15	Marketing and retailing of health care equipment and supplementary appliances.
OHCKL (610063-T)	26.03.2003 Malaysia	1,000,000	1,000,000	88.33	Marketing and retailing of health care equipment and supplementary appliances.

5. INFORMATION ON OUR GROUP (Cont'd)

Name of company (Registration number)	Date and Country of incorporation	Authorised share capital RM	Issued and paid-up share capital RM	Effective interest held %	Principal activities
Buzzard Event (608733-H)	12.03.2003 Malaysia	100,000	100,000	100.00	Dormant.
Ogawa Care Services (679104-A)	20.01.2005 Malaysia	100,000	90,000	90.00	Marketing, sales and servicing of health care equipment and supplementary appliances.
OHCP (200208302C)	24.09.2002 Singapore	SGD500,000	SGD114,000	88.00	Marketing, retailing, distribution and servicing of health care equipment and supplementary appliances.
OHCEM (693800-P)	03.06.2005 Malaysia	1,000,000	1,000,000	89.38	Marketing and retailing of health care equipment and supplementary appliances.
OHCS (693803-T)	03.06.2005 Malaysia	1,000,000	1,000,000	88.77	Marketing and retailing of health care equipment and supplementary appliances.
OSHCE (77933958-4)	14.09.2005 China	USD200,000*	USD200,000	100.00	Marketing, retailing, distribution and servicing of health care equipment and supplementary appliances.
OHCIHK (1013180)	12.12.2005 Hong Kong	HKD3,300,000	HKD3,300,000	98.18	Marketing, retailing, distribution and servicing of health care equipment and supplementary appliances.

Note:

* Represent registered capital of OSHCE

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5. INFORMATION ON OUR GROUP (Cont'd)

5.4.2 Products

All of our products are marketed under our own brand names of OGAWA and DEKI. These products are categorised into the following:

Product Category	Products	Description
Relaxation	OGAWA Fujiiryoki SKS1600	Massage Chair
	OGAWA Fujiiryoki SKS1800	Massage Chair
	OGAWA Fujiiryoki SKS1850	Massage Chair
	OGAWA Koibito	Massage Chair
	OGAWA Smart 10 (<i>new version</i>)	Massage Chair
	OGAWA Smart 2000	Massage Chair
	OGAWA X-Chair (Game chair)	Massage Chair
	DEKI Smart 3000	Massage Chair
	OGAWA Thumper	Portable Massager
	OGAWA Hand Held Massager	Portable Massager
	OGAWA S200 Hand-Held Massager	Portable Massager
	OGAWA Mini Massager	Portable Massager
	DEKI S100 Hand-Held Massager	Portable Massager
	OGAWA Eye & Brain Massager	Eye and Brain Massager
	OGAWA Trinity Eye & Mind Soother	Eye and Brain Massager
	DEKI Eye Soother	Eye Massager
	DEKI Eye Forth	Eye Massager
OGAWA Massage Pillow	Massage Pillow	
Therapeutic	OGAWA Chi Master	Body and Foot Massager
	OGAWA Smart Foot Massager	Foot Massager
	OGAWA Twin Power	Foot Massager
	DEKI Smart Foot Massager	Foot Massager
	OGAWA Foot Massager Mat	Massage Mat
Fitness	OGAWA Magic Slimming Belt	Slimming Equipment
	OGAWA Perfect 8	Slimming Equipment
Diagnostic	OGAWA Arm Blood Pressure Monitor	Blood Pressure Monitor
	OGAWA Wrist Blood Pressure Monitor	Blood Pressure Monitor
Hygiene	OGAWA Air Revitalizer	Air Purifier
	OGAWA Rotating Tooth Brush	Toothbrush

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5. INFORMATION ON OUR GROUP (Cont'd)

5.4.3 Business Process



Product Design and Development

Our Group conducts regular research to gather information on the latest market trends through market observation and customers' feedbacks. Based on the information gathered, our in-house PDD team will conceptualise and develop designs for new product models which are perceived to have vast market potential. We then submit our designs and specification of the new products to external manufacturers for prototype development. Our PDD team will ensure that the prototype and samples of our new products have undergone various tests and conform with our quality standards prior to the commencement of commercial production.

In addition, our Group also seeks to improve on the existing designs of our products by providing suggestions to the external manufacturers on ways to enhance the aesthetic features or functions of our existing products.

Procurement and Supply

Our Group appoints external manufacturers to manufacture all our products while we focus our resources on product design, brand building, and expansion of our marketing and distribution network. We adopt stringent selection criteria in choosing external manufacturers which take into consideration, amongst others, the manufacturing capability and reliability, reputation and qualification in terms of manufacturing technology and customer base of the external manufacturers.

The external manufacturers are responsible for manufacturing our products based on the design and functional requirements specified by our Group. To ensure high quality standards are maintained for our products, we appoint our PDD personnel to monitor and conduct quality control checks during the production process and at various points at the production factories of the external manufacturers. We also conduct quality control tests on our finished products before and after shipment is received.

5. INFORMATION ON OUR GROUP (Cont'd)

We closely monitor our sales and inventory level to maintain the optimum inventory level to ensure that we would have adequate inventory to meet the demands of our customers, as well as minimise the risk of inventory obsolescence should there be a change in consumer preference and demand.

Advertisement and Promotion

In line with our effort to create awareness of our brand names in the health and wellness market, we have carried out extensive advertisements and promotional campaigns to enhance our market presence. For the five (5) financial years from 2002 to 2006 and the three (3) months FPE 30 September 2006, our Group had incurred approximately RM40 million and RM2.4 million, respectively on advertising and promotional activities to generate public awareness for our brand names and range of products. We conduct direct advertising through television, radio, newspaper, magazine, advertising poster and display, product launches, direct mailer programmes with major financial institutions and credit card companies as well as indirect advertising through the appointment of brand ambassadors and concert sponsorships. In addition, we also offer attractive promotion packages and free gifts to entice customers to purchase our products.

Distribution and Retailing

Our Group's headquarters in Malaysia will execute the placement of all product orders received from retail outlets, permanent counters and road-shows in Malaysia, Singapore, China and Hong Kong as well as from our distributors in Indonesia, Australia and Vietnam. We will collate all orders before the final orders are placed with the respective external manufacturers. All products will be delivered to our headquarters and distributed by our in-house logistic team. For product orders placed by retail outlets and road-shows in Singapore, China and Hong Kong, we can request external manufacturers to deliver the products directly to our subsidiaries located in these countries to save on delivery costs.

As at 22 February 2007, our distribution network comprises 108 retail outlets and permanent counters located in Malaysia, Singapore, China and Hong Kong while our appointed sole distributors operate 33 retail outlets in Indonesia, Australia and Vietnam. Our retail outlets, permanent counters and road-shows will only maintain inventories of portable items such as hand-held and strap-on massagers, foot massagers, slimming equipment, blood pressure monitors, purifiers and accessories for distribution and display. We do not carry any inventory for large items such as massage chairs in our retail outlets, permanent counters and road-shows. Only the display units are available for customers to experience our products. All orders for our massage chairs made through retail outlets, permanent counters and road-shows in Malaysia, Singapore and China will be delivered from our headquarters in the respective countries directly to our customers by our in-house logistic team.

Delivery and After-Sale Service

Our Group provides high quality after-sale services to our customers as we believe that it will build our brand names. In order to achieve high quality after-sale services, all servicing and repairs of our products are performed by our skilled engineers and technicians who are trained by our external manufacturers. Our customers can contact our dedicated toll free servicing hotline to arrange for on-site repairing services or visit any of our retail outlets, permanent counters and road-shows to return products for repair services.

5. INFORMATION ON OUR GROUP (Cont'd)

We have established a Customer Relationship Management ("CRM") system to capture and maintain our customers' data. Our CRM department will analyse our customers' data and provide important information to our Group to enable us to build long-term relationships with our customers. Through our CRM, we are able to identify repeat customers, implement customers' membership programme and reward our loyal customers by offering special promotions and discounts. Our CRM also captures customers' feedbacks on our products which will assist us in our product design and development.

We consider our in-house logistic team, which delivers our massage chairs, as important in providing and delivering high quality after-sale services to our customers. Our in-house logistic team has been technically trained to set-up and perform quality inspection of our massage chairs. Our in-house team also provides full product demonstration on the functions and operations of our massage chairs to customers.

5.4.4 Principal Markets

We have market presence in Malaysia, Singapore, China and Hong Kong through our extensive network of retail outlets and permanent counters, operated by our Group. In addition, our products are sold through appointed sole distributors in Australia, Indonesia and Vietnam.

For the three (3) months FPE 30 September 2006, the following is the analysis of our Group revenue by local and foreign markets:

Revenue	RM'000	%
Local sales		
Malaysia	20,279	66.91
Foreign sales		
Singapore	4,120	13.59
Indonesia	1,968	6.49
Australia	1,192	3.93
China	1,359	4.48
Hong Kong	862	2.85
Vietnam	528	1.75
	10,029	33.09
TOTAL	30,308	100.00

5.4.5 Approvals, Major Licences and Permits

As at 22 February 2007, save as disclosed below, there are no other approvals, major licences or permits obtained by our Group.

Location	Authority	Types of approval/ major license/permits	Validity	Equity, employment and/or other major conditions imposed
Kota Kemuning, Shah Alam	Majlis Bandaraya Shah Alam	Industrial license	31.12.2007	None

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.6 Intellectual Property

5.4.6.1 Trademarks

We regard our brand names as critical to our continued success and have taken steps to protect our rights by registering OGAWA and DEKI as trademarks. Our Group has obtained approvals for the trademarks in the following countries as at 22 February 2007:

Trademark	Registered owner	Country/Territory	Class	Trademark No.	Date of Registration	Expiry Date
OGAWA	Healthy World	Malaysia	21	87005735	30.11.1987	30.11.2008
OGAWA	Healthy World	Malaysia	10	01013457	11.10.2001	11.10.2011
Device - OGAWA Logo	Healthy World	Malaysia	10	01013458	11.10.2001	11.10.2011
OGAWA + Device	Healthy World	Malaysia	10	02015715	19.12.2002	19.12.2012
OGAWA + Device	Healthy World	Singapore	10	T02/05565F	24.04.2002	24.04.2012
OGAWA + Device	Healthy World	Australia	10	947321	17.03.2003	17.03.2013
OGAWA + Device	Healthy World	China	10	3416391	14.05.2004	13.05.2014
OGAWA + Device	Healthy World	Hong Kong	10	300330443	02.12.2004	02.12.2014
OGAWA + Device	Healthy World	Thailand	10	Kor189772	24.02.2003	23.02.2013
OGAWA + Device	Healthy World	United Kingdom	10	2324722	24.02.2003	24.02.2013
OGAWA + Device	Healthy World	New Zealand	10	675365	25.09.2003	20.03.2010
OGAWA + Device	Healthy World	Macau	10	N/19520	07.11.2005	15.03.2013
OGAWA FUJIIRYOKI + Chinese Characters + Device	Healthy World	Macau	10	N/19521	07.11.2005	15.03.2013
OGAWA PLUS	Healthy World	Malaysia	10	02015716	19.12.2002	19.12.2012
OGAPLUS +Device	Healthy World	Indonesia	10	563265	13.02.2004	18.03.2013
OGAMAX +Device	Healthy World	Indonesia	10	563311	13.02.2004	18.03.2013
OGAWA AS GOOD AS IT GETS + Device	Healthy World	Malaysia	10	03006629	04.06.2003	04.06.2013
OGAWA + Chinese Characters + Device	Healthy World	Malaysia	10	03006630	04.06.2003	04.06.2013
OGAWA KELEGAAN YANG PASTI +Device	Healthy World	Malaysia	10	03006631	04.06.2003	04.06.2013

5. INFORMATION ON OUR GROUP (Cont'd)

As at 22 February 2007, our Group has also submitted applications for the registration of trademarks in the following countries:

Trademark	Name of Applicant	Country	Class	Application No.	Date of Application	Status
OGAWA + Device	Healthy World	India	10	01104800	15.05.2002	Pending registration
OGAWA + Device	Healthy World	Philippines	10	4-2002-0003824	14.05.2002	Pending registration
OGAWA + Device	Healthy World	USA	10	76/497959	12.03.2003	Pending registration
OGAWA + Device	Healthy World	Indonesia	10	D00 2003 22355 22544	25.08.2003	Pending registration
OGAWA + Device	Healthy World	Vietnam	10	4-2005-14290	26.10.2005	Pending registration
OGAWA + Device	Healthy World	Malaysia	43	06011782	06.07.2006	Pending registration
OGAMAX + Device	Healthy World	Malaysia	10	03012088	11.09.2003	Pending registration
OGAPLUS + Device	Healthy World	Malaysia	10	03012089	11.09.2003	Pending registration
OGAWA FUJIIRYOKI + Chinese Characters + Device	Healthy World	Malaysia	10	05013980	22.08.2005	Pending registration
OGAWA FUJIIRYOKI + Chinese Characters + Device	Healthy World	China	10	4903717	19.09.2005	Pending registration
OGAWA FUJIIRYOKI	Healthy World	China	10	4773591	12.07.2005	Pending registration
OGAWA + Device + Feel ● Good	Healthy World	Malaysia	10	06014226	11.08.2006	Pending registration
DEKI + Device	Healthy World	Malaysia	7	06014699	18.08.2006	Pending registration
DEKI + Device	Healthy World	Malaysia	9	06014700	18.08.2006	Pending registration
DEKI + Device	Healthy World	Malaysia	10	06014701	18.08.2006	Pending registration
DEKI + Device	Healthy World	Malaysia	11	06014702	18.08.2006	Pending registration
DEKI IT'S SMART + Device	Healthy World	Malaysia	7	06000341	11.01.2006	Pending registration
DEKI IT'S SMART + Device	Healthy World	Malaysia	9	06000342	11.01.2006	Pending registration
DEKI IT'S SMART + Device	Healthy World	Malaysia	10	06000343	11.01.2006	Pending registration
DEKI IT'S SMART + Device	Healthy World	Malaysia	11	06000344	11.01.2006	Pending registration

5. INFORMATION ON OUR GROUP (Cont'd)

In addition, pending the registration of legal ownership as at 22 February 2007, the OGAWA trademark in Indonesia has been beneficially assigned to us.

All our products are sold under our own brand names. As such, we are not dependent on any third party licensed trademarks.

5.4.6.2 Industrial Designs

As at 22 February 2007, our Group has registered the industrial design for our product models as follows:

Type of Product	Registered Owner	Country/Territory	Class	Registration No.	Date of Registration	Expiry Date
Foot & Sole Massager	Healthy World	Malaysia	28-03	MY 04-00440	01.07.2004	01.07.2009
Foot & Sole Massager	Healthy World	Hong Kong	28-03	0411629.1	26.07.2004	25.07.2029
Foot & Sole Massager	Healthy World	Indonesia	28-03	ID 0 008 346-D	23.07.2004	22.07.2014
Foot & Sole Massager	Healthy World	Singapore	28-03	D2004/1241/A	20.07.2004	19.07.2009
Foot & Sole Massager	Healthy World	China	*	ZL200430124171.2	30.12.2004	30.12.2014
Foot & Sole Massager	Healthy World	Taiwan – Republic of China	*	D 108555	21.12.2005	09.12.2016
Foot & Sole Massager	Healthy World	Malaysia	28-03	MY 05-01098	23.12.2005	23.12.2010
Body and Foot Massager	Healthy World	Australia	*	309356	21.06.2006	20.06.2011
Body and Foot Massager	Healthy World	Hong Kong	28-03	0601596.0	21.06.2006	20.06.2011
Body and Foot Massager	Healthy World	Singapore	28-03	D2006/720/C	27.07.2006	27.07.2011
Body and Foot Massager	Healthy World	Malaysia	28-03	MY 06-00301	25.04.2006	25.04.2011
Body and Foot Massager	Healthy World	Malaysia	28-03	MY 06-00302	25.04.2006	25.04.2011

Note:

* Not stated

5. INFORMATION ON OUR GROUP *(Cont'd)*

As at 22 February 2007, our Group has submitted applications for the registration of industrial designs for our product models as follows:

Type of Product	Name of Applicant	Country	Class	Application No.	Date of Application	Status
Massage Chair	Healthy World	Malaysia	28-03	06-00166	17.03.2006	Pending registration
Massage Chair	Healthy World	Malaysia	28-03	06-00586	01.08.2006	Pending registration
Massage Chair	Healthy World	Malaysia	28-03	06-00585	01.08.2006	Pending registration
Massage Chair	Healthy World	Malaysia	28-03	07-00035-0101	09.01.2007	Pending registration
Body and Foot Massager	Healthy World	Indonesia	*	A00200602621	30.06.2005	Pending registration

Note:

* *Not stated*

5.4.7 Material Agreement

Save as disclosed below and in Section 5 of this Prospectus, our Group currently does not depend on any other contracts or arrangements including patents, licences, industrial, commercial or financial contracts or new manufacturing processes, which are material to our business or profitability:

- (i) manufacturing and supply agreement dated 21 April 2006 entered into between Healthy World and Xiamen Comfort Science & Technology Co. Ltd ("Xiamen Comfort") to appoint Xiamen Comfort as a non-exclusive manufacturer and supplier to manufacture and supply a range of products, and such other products as may from time to time be agreed in writing by the parties, for Healthy World.

The risk factors and mitigating steps associated with the business relationships with the external manufacturers are set out in Section 4 of this Prospectus.

5.4.8 Modes of Marketing

Our Group's marketing strategy is to focus on introducing quality health and wellness equipment products that is affordable to customers. In this regard, our Group utilises the following strategies to promote the sales of our products:

- (i) we provide customers with flexible payment plans through our strategic tie-ups with financial institutions to offer customers the option to pay via zero-interest instalment plans for the purchase of our products using credit cards. We have managed to establish tie-ups with several local and foreign financial institutions to offer customers with instalment payment periods ranging from 3 months to 36 months;

5. INFORMATION ON OUR GROUP (Cont'd)

- (ii) we conduct regular road-shows to promote our newly-launched and existing range of health and wellness equipment products. During our road-shows, we offer attractive promotional packages which include gifts, special discounts or complimentary products to attract customers to purchase our products; and
- (iii) we promote and market our products through aggressive advertisements and promotional campaigns. We advertise mainly through television, radio, newspaper, magazine, sponsorship of concerts as well as engaging popular celebrities as brand ambassador to endorse our products. Our promotional campaigns include direct mailer programmes wherein we invite our targeted customers to view and purchase our new products at discounted prices prior to its official launch.

5.4.9 Distribution Channels

Our Group has three (3) main distribution channels in conducting our business locally and internationally:

- (a) Retail outlets and permanent counters;
- (b) Road-shows; and
- (c) Sole distributors.

Our major distribution channel is through our network of retail outlets and permanent counters, located at prime shopping malls in Malaysia, Singapore, China and Hong Kong. We also regularly organise road-shows at high volume pedestrian traffic shopping malls to promote our newly-launched and existing range of health and wellness equipment products. Our market presence in Indonesia, Australia and Vietnam are through our appointed sole distributors.

5.4.10 Product Design and Development

Our Group recognises the importance of regularly developing new product designs in order to stay competitive within the health and wellness equipment market. In this regard, our Group strategy is to concentrate on design and development while we appoint external manufacturers to manufacture our products. We internally design and develop our major products, based on the information we received from our customers' feedbacks and observation of the latest market trend. We also take into consideration other factors such as pricing, appearance, function and presence of competing products before designing a new product.

As at 22 February 2007, our PDD department comprises of 20 employees who are responsible for the design and development of our new products as well as conducting quality control checks on the prototypes and samples of our new products. All new designs developed by our PDD team will be submitted to external manufacturers for prototype and sample development. To ensure high quality of our products, our PDD team will conduct various functionality and quality tests at the external manufacturers' factories to ensure that the prototypes and samples of our new products comply with our design, specification and quality standards. We also assign several of our PDD personnel to monitor and conduct quality control checks during the production of our products.

5. INFORMATION ON OUR GROUP (Cont'd)

The amount spent on PDD based on the proforma consolidated financial statements of our Group for the last three (3) FYE 30 June 2006 and three (3) months FPE 30 September 2006 are as follows:

	FYE 30 June			3 months FPE 30 September 2006
	2004	2005	2006	
Total PDD expenses incurred (RM'000)	527	924	978	174
Total PDD expenses as a proportion of our Group's proforma revenue* (%)	1.01	0.92	0.72	0.57

Note:

* Our group's proforma revenue is extracted from the Reporting Accountants' Letter on the Proforma Consolidated Financial Information included in Section 11.1 of this Prospectus.

The PDD achievements in respect of our products that have been launched over the past 11 years are as follows:

Date	PDD Activities/ Achievement
September 1996	Conceptualised design of the foot massager
March 1999	Conceptualised design of the OGAWA Plus foot massager
February 2000	Conceptualised design of the OGAWA Plus foot massager (upgraded version)
March 2001	Conceptualised design of the OGAWA E-Relax massage chair
August 2001	Conceptualised design of the OGAWA Plus foot massager (new version)
June 2003	Designed and developed the OGAWA Twin Power foot massager
December 2003	Designed and developed the OGAWA Sensual Spa massage chair
December 2003	Designed and developed the OGAWA-Fujiiryoki SKS1600 massage chair
May 2004	Designed and developed the OGAWA Smart 10 massage chair
November 2004	Designed and developed the OGAWA Smart 2000 massage chair
January 2005	Designed and developed the OGAWA-Fujiiryoki SKS1800 massage chair
May 2005	Designed and developed the OGAWA Smart 10 massage chair (2 nd version)
September 2005	Designed and developed the OGAWA Koibito massage chair
October 2005	Designed and developed the OGAWA Smart 10 massage chair with ioniser (3 rd version) and DEKI Smart foot massager
November 2005	Designed and developed the OGAWA Chi Master body and foot massager
December 2005	Designed and developed the OGAWA Fujiiryoki SKS1850 massage chair
January 2006	Designed and developed DEKI Smart 3000 massage chair
March 2006	Designed and developed the OGAWA S200 hand-held massager and DEKI S100 hand-held massager
June 2006	Designed and developed OGAWA Thumper
July 2006	Designed and developed OGAWA Hand Held Massager
August 2006	Designed and developed OGAWA Pulse Foot Massager
September 2006	Designed and developed DEKI Eye Soother
September 2006	Designed and developed DEKI Eye Forth
October 2006	Designed and developed OGAWA Magic Slimming Belt
November 2006	Designed and developed OGAWA X-Chair (Game Chair)

5. INFORMATION ON OUR GROUP *(Cont'd)*

Going forward, our Group will continue to invest in the design and development of new health and wellness equipment products that respond to the latest market trends and technologies. In this regard, we plan to allocate RM3.8 million of our proceeds raised to enhance our PDD capabilities by acquiring new design equipment and hiring additional PDD personnel over the next three (3) years.

5.4.11 Quality Control

Although our Group does not manufacture the products for which we have designed, we are committed to carry out stringent quality control checks throughout the course of our business operations, from the point when we design and develop our products up to the delivery of our products to customers. We have in place, the following quality controls.

5.4.11.1 Product Quality Control

Our Group adopts stringent selection criteria when we select external manufacturers to manufacture our products wherein we will assess the capability and reliability, and review the reputation and customer base of external manufacturers. In order to ensure the high quality of our products, the first product inspection and quality control check is performed by our PDD team at the factories of the external manufacturers during the prototype and product sample development stages. Our PDD team will also monitor and conduct quality control checks during the production process.

The second product inspection and quality control check is performed before and after shipment of finished products. Prior to shipment, we require the external manufacturers to conduct quality control checks on the finished products to examine its durability and functionality. We will also conduct random quality tests after we have received shipment of the finished products to ensure that the products have met our quality standard. In the event that the quality of the finished products is not up to our quality standards, the finished products will be returned to the external manufacturers for replacement.

5.4.11.2 Delivery and Service Quality Control

We are aware that apart from product quality, providing high quality delivery services are important aspects in our industry which must be maintained to ensure that we meet our customers' expectations. In this regard, we have established our in-house logistic team dedicated to manage the delivery of our massage chairs to customers. To ensure high quality delivery services are provided to our customers, our in-house logistic team is technically trained to set-up and perform quality inspection of our massage chairs at the customers' premises. Our in-house logistic team is also required to provide full product demonstration on the functions and operations of our massage chairs to our customers.

In addition, we place great emphasis on the quality of service provided by our sales and marketing employees and in-house logistic team as we recognise that the services provided by a well-trained and knowledgeable employee would be one of the critical factors in capturing consumer's interest in our products. In order to improve our service quality, we conduct regular in-house training for our sales and marketing employees and in-house logistic team to serve our customers in a courteous, efficient and knowledgeable manner.

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.12 Seasonality

The demand for health and wellness equipment products is always present and continuously growing. However, our business generally experience higher sales during the period leading up to festive occasions/seasons such as Mother's and Father's Day, Hari Raya Aidilfitri, Christmas, Chinese New Year and Deepavali as well as during nationwide sale carnivals as we ride on the high consumer spending during such period by conducting extensive road shows and introducing attractive promotional packages.

5.4.13 Interruptions in Business

Our Group did not experience any material disruption in our business activities which had a significant effect on our operations during the past twelve (12) months ended 22 February 2007.

5.4.14 Employees

As at 22 February 2007, our Group has a staff strength of 828 employees and are classified into the following categories:

Job Category	< 1 Year	1 To 5 Years	> 5 Years	Total
Directors	-	10	6	16
Management	1	9	2	12
Technical / PDD	17	9	1	27
Engineering & Executives	8	6	-	14
Marketing & Sales	321	228	1	550
Supervisory	5	118	10	133
Administrative & Clerical	38	38	-	76
TOTAL NO.	390	418	20	828

In addition to the on-the-job training, in-house training programmes are organised to help marketing and sales personnel to improve their understanding of our products and sale techniques as well as our corporate culture. Further, our Group engages external training centres to conduct training on leadership, motivation and management skills.

None of our employees belongs to any trade unions and they have good working relationships with the management. There has not been any past industrial dispute between the management and the employees.

5.4.15 Awards and Achievements

Our Group has obtained several awards and recognition for our brand name and innovative products from various organisations as follows:

Accreditation	Awarded by	Date
Asia Pacific Entrepreneur Excellence Award 2003 (Excellence in Branding Category)	Best Enterprise Development Association, Malaysia	2003
Top 10 Winner of the Golden Bull Award 2003	Nanyang Siang Pau Sdn Bhd (endorsed by MITI)	2003
Best Brands Award (Best International Brands Category) 2004	Best Brands Council	2004
Superbrands Malaysia – Gala Award 2005	Superbrands Malaysia	2005
Superbrand Singapore Consumers' Choice 2006	Superbrands Singapore	2006

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.16 Location of Operations

As at 22 February 2007, we have a total of 108 retail outlets and permanent counters, of which 58 retail outlets and 3 permanent counters are located in Malaysia, 16 retail outlets in Singapore, 28 retail outlets in China and another 3 retail outlets in Hong Kong. In addition, our appointed sole distributors operate a total of 33 retail outlets of which 16 in Indonesia, 4 in Australia and 13 in Vietnam.

We have a head office cum warehouse in operation located at No. 22, Jalan Anggerik Mokara 31/47, Kota Kemuning, 40460 Shah Alam, Selangor.

5.4.17 Syariah Status

Our Company has voluntarily submitted an application to the SC for a Syariah compliance review to be carried out by the SAC of the SC as part of the process of determining our Syariah status at IPO.

The SAC of the SC has classified OWB Shares as Syariah-compliant based on our activity and financial information for the FYE 30 June 2006.

5.4.18 Competitive Advantage**(i) Established Brand Name**

Over the years, we have established our brand name OGAWA by ensuring that we consistently offer innovative and high quality health and wellness equipment products at affordable prices. We have carried out extensive advertising and promotional activities to create and promote awareness of our brand name in the health and wellness equipment market. Through our commitment in product design, quality assurance and brand building, our OGAWA brand has emerged as one of the leading Malaysian brand in the local health and wellness equipment market. Our track record of revenue growth and the awards won for our outstanding brand name are testaments to the encouraging market acceptance of our OGAWA brand health and wellness equipment products.

(ii) Wide Product Range

Our Group designs, markets and distributes a wide range of health and wellness equipment products to cater to the different needs and preferences of customers. Hence, we are able to adapt to the changes in market trend and customers' preferences as we offer a wide range of products which differs in terms of designs, features, and functionality. In addition, as our product strategy is to focus on introducing new products at affordable prices, we are less vulnerable to any adverse changes in the nation's economy.

(iii) Distribution Network

As at 22 February 2007, our Group has a distribution network in Malaysia, Singapore, China and Hong Kong comprising 108 retail outlets and permanent counters strategically located in mostly prime shopping malls. Our distribution network has enabled our Group to conveniently reach out to the consumers and enhance our brand presence in order to grow our business. Presently, our products are also sold in Australia, Indonesia and Vietnam through appointed sole distributors. Our experience in identifying strategic locations for our retail outlets will assist us in our expansion into the overseas market.

5. INFORMATION ON OUR GROUP (Cont'd)

(iv) Quality Assurance

Our Group implements stringent quality control checks throughout the course of our business operations, from the point when we design and develop our products up to the delivery of our products to customers. We even monitor and control the quality of our products before production begins to ensure that our quality standards are maintained. As an assurance of our product quality, substantially all our products have been certified with CE certification and C-Tick certification for having met the requirements for performance and safety. In addition, we currently provide a two (2)-year warranty for our massage chairs and foot massagers in the Malaysian market.

(v) Experienced Management Team

Our Directors have adopted a hands-on approach in mapping out the objectives and policies of our Group. They are also actively involved in the design, marketing, business development and brand management of our Group. Their commitment and dedication to our Group has been one of the main contributing factor to the rapid growth of OGAWA brand to become the leading Malaysian brand in the local health and wellness equipment market. With an average of more than 17 years of experience in the health and wellness equipment market, we are confident that our Directors will continue to contribute positively to our Group's future growth and expansion.

5.5 Major Customers

Our products consist of consumer items and are mainly sold to the general public directly through our retail outlets, permanent counters and road-shows, and indirectly through our sole distributors. Hence, our customer base comprises of the general public and sole distributors. For the last three (3) FYE 30 June 2006 and three (3) months FPE 30 September 2006, there is no single customer accounting for 10% or more of the total revenue of our Group.

5.6 Major Suppliers

Our Group's business does not require any raw material as we engage external manufacturers to manufacture all our products. The following are the major suppliers of our Group (i.e. those individually contributing 10% or more of our Group's purchases) for each of last three (3) FYE 30 June 2006 and three (3) months FPE 30 September 2006:

Name of manufacturers	Length of relationship (Years)	% of OWB Group purchases				Items purchased
		FYE 30 June 2004	FYE 30 June 2005	FYE 30 June 2006	3 months FPE 30 September 2006	
Hung Sheng Electric Ind. Corp.	8	29.9%	8.2%	4.8%	6.9%	Foot Massager
Kuang Yu Metal Working Co. Ltd	5	19.6%	3.2%	0.2%	-	Massage Chair
Fujiiryoki (Shanghai) Trading Co. Ltd.*	4	12.0%	13.3%	5.8%	11.3%	Massage Chair
Xiamen Easepal Import & Export Corporation	4	11.1%	59.4%	46.3%	- **	Massage Chair
Xiamen Comfort Science & Technology Co. Ltd	1	-	-	-	53.1%**	Massage Chair

5. INFORMATION ON OUR GROUP *(Cont'd)*

Notes:

- * *Our products supplied by Fujiiryoki (Shanghai) Trading Co. Ltd., China ("Fujiiryoki Shanghai") were manufactured by its holding company Fuji Medical Instruments Co. Ltd, Japan ("Fuji Medical") and invoiced by Lijia Trading Co. Ltd., Hong Kong, a subsidiary of Fuji Medical.*
- ** *The change in the appointment of our major supplier from Xiamen Easepal Import & Export Corporation to Xiamen Comfort Science & Technology Co. Ltd both of which are companies within the same group, was mainly due to the internal restructuring undertaken by the suppliers.*

For the three (3) months FPE 30 September 2006, other than Xiamen Comfort Science & Technology Co. Ltd and Fujiiryoki Shanghai who collectively contributed 64.4%, there are no other suppliers contributing more than 10% of our Group's total purchases. The risk factors and mitigating steps associated with the business relationships with the external manufacturers are set out in Section 4 of this Prospectus.

5.7 Future Plans, Strategies and Prospects of our Group

5.7.1 Overview of Future Plans and Strategies

Our Group's immediate future plans are focused on product expansion and diversification, new geographical markets and distribution channel expansion, expansion of facilities, and franchising.

(i) Product Expansion and Diversification

To further penetrate into the market, our Group will continue to focus our strategy to design and develop new products to expand our current range of medium to higher-priced product models and to better cater to a wider and diverse customer base. We believe that this is vital in maintaining our established market share and competitive advantage in the market in which our Group currently operates in.

We recognise the growth potential in the market for lower-priced range health and wellness equipment products as a result of the increasingly health conscious society. In this regard, our plans for product expansion and diversification include designing and developing a new range of lower-priced products to specifically cater to the budget of those customers who are more sensitive to pricing. To maintain our established brand name, we will market the new range of lower-priced product models under the DEKI brand name to differentiate from our existing product models which is currently marketed under the OGAWA brand name.

(ii) New Geographical Markets and Distribution Channel Expansion

Our Group intends to capitalise on our distribution expertise and brand management capabilities to expand on our current distribution network. As at 22 February 2007, our products are retailed through 108 retail outlets and permanent counters in Malaysia, Singapore, China and Hong Kong. Our future plan is to widen our current distribution network by securing lease for new retail outlets and permanent counters in good geographical and strategic locations where we currently do not have a significant presence. In addition, we also encourage our sole distributors in Indonesia, Australia and Vietnam to grow and strengthen OGAWA market presence in these countries through the expansion of their distribution network which stood at 33 retail outlets as at 22 February 2007 by providing guidance and technical support in relation to the expansion of business as well as granting attractive credit terms.

5. INFORMATION ON OUR GROUP (Cont'd)

We plan to further penetrate into hypermarkets and electrical stores to target customers who are more budget conscious. We have introduced a new range of lower-priced products under the DEKI brand name in 2006 to target the consumers who are more sensitive to pricing. Hence, we will continue to expand the DEKI product range as well as enhancing its brand presence both locally and overseas to increase our Group's market share in the target market segment.

Our Group believes that we are in a position to tap growth potentials in overseas markets to take advantage of the growing markets in other regions and diversify our dependence on the local market. We plan to expand our distribution network in our current overseas markets in Singapore, Australia, Indonesia, China, Hong Kong and Vietnam. In addition, we intend to expand to new overseas markets such as Thailand, India and the Middle East over the next one (1) to three (3) years.

(iii) Expansion of Facilities

We plan to implement an Enterprise Resource Planning system to enhance the efficiency of our Group's entire business operations. We currently have in place a Customer Relationship Management system which has effectively and efficiently managed customers' data and provide us with valuable information for planning and implementing our sales and marketing programmes. The implementation of an Enterprise Resource Planning system will allow better integration of data between various functions and department including the integration with our Customer Relationship Management system to provide our management with greater accessibility to real-time information needed to make key business decisions.

It has been our Group's policy to constantly improve our PDD capabilities in order to stay competitive in the health and wellness equipment market. As a testament to our PDD initiatives, our Group has designed and developed a wide range of health and wellness equipment products to cater to the different needs and preferences of the customers. We will continue to maintain our affordable pricing policy, without sacrificing the quality of our products. To achieve this, our Group plans to invest further into our PDD and upgrade our PDD capabilities by acquiring new design equipment and hiring additional PDD personnel.

In line with our business expansion plans, we intend to acquire a piece of land to construct a new headquarters office cum warehouse. In addition, we also intend to purchase a total of three (3) warehouses in Johor, Penang and Singapore. These new warehouses are expected to provide our Group with increased warehouse capacity and improvement in the overall efficiency of our business operations. Further, we plan to expand our current fleet of delivery trucks for our logistic department to ensure that our products are delivered on a timely basis to our customers in Malaysia, Singapore, Hong Kong and China.

5. INFORMATION ON OUR GROUP (Cont'd)

(iv) Franchising

As part of our Group's vision of becoming an international brand, we intend to embark on a franchising system under our OGAWA trademark. Our Directors believe that through franchising, we can grow and expand more rapidly to cover more geographical markets as compared to self-managed retail outlets by capitalising on our established brand name. In addition, we are able to penetrate into new geographical markets with minimal capital requirements and will consume less management resources. This will allow us to continue to focus our resources on product design and development and brand management. The franchising system is also expected to benefit our Group in terms of additional profits through franchise fees and royalties.

5.7.2 Prospects of our Group

Our Group is currently the leading locally-established company in the Malaysian health and wellness equipment market. Over the years, we have expanded our market coverage to other countries and territory such as Singapore, Indonesia, Australia, China, Hong Kong and Vietnam. Our Group is expected to benefit from the growing demand for quality lifestyle products which include health and wellness equipment. The prospects for our Group to capture substantial market share in the Asian region is promising based on our successful track records in our existing overseas markets in addition to the vast opportunities available in the regional market place. For the local market, our Group will continue to ride on the preference for locally established brands given the Government's encouragement to "Buy Malaysia First" in its efforts to improve the country's trade balance and reduce reliance on imported products.

Furthermore, the health and wellness equipment market is a large, and mainly driven by the increase in population, higher demand for better healthcare and higher standards of living. The health and wellness equipment sector has largely been considered a market experiencing steady growth as demand is always present and continuously growing, given the continued rise in the disposable income and continuing favourable employment market. Thus, the prospect of the health and wellness equipment market is considered to be bright and promising, particularly for companies with the design and development capabilities and established local brand name such as our Group.

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5. INFORMATION ON OUR GROUP (Cont'd)

5.8 Information on our Subsidiary Companies

Our Group has no associated company as at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus. Further details on our subsidiary companies are as follows:

5.8.1 Healthy World

(i) History and business

Healthy World was incorporated as a private limited company in Malaysia under the Act on 18 June 2001 and commenced its business operations on even date.

Healthy World is principally involved in design and development, marketing, retailing and distribution, and servicing of health care equipment and supplementary appliances.

(ii) Share capital

The present authorised and issued and paid-up share capital of Healthy World is as follows:

Type	No. of shares	Par value RM	Total RM
Authorised	5,000,000	1.00	5,000,000
Issued and fully paid-up	1,200,000	1.00	1,200,000

Details of the changes in the issued and paid-up share capital of Healthy World since the date of incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
18.06.2001	2	Cash	2
16.07.2001	399,998	Cash	400,000
29.07.2002	800,000	Bonus Issue of 2 for 1	1,200,000

(iii) Substantial shareholders

We own the entire equity interest in Healthy World.

(iv) Subsidiary and associated companies

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, Healthy World has two (2) subsidiary companies, namely OSHCE and OHCIHK. Further details of OSHCE and OHCIHK are set out in Section 5.8.11 and 5.8.12 below. Healthy World does not have any associated company.

5. INFORMATION ON OUR GROUP (Cont'd)

5.8.2 Morwell

(i) History and business

Morwell was incorporated as a private limited company in Malaysia under the Act on 26 August 1986 and commenced its business operations on 26 August 1986.

Morwell is principally involved in import and marketing of health care equipment and supplementary appliances.

(ii) Share capital

The present authorised and issued and paid-up share capital of Morwell is as follows:

Type	No. of shares	Par value RM	Total RM
Authorised	500,000	1.00	500,000
Issued and fully paid-up	200,000	1.00	200,000

Details of the changes in the issued and paid-up share capital of Morwell since the date of incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
26.08.1986	2	Cash	2
06.10.1986	99,998	Cash	100,000
18.08.2004	100,000	Cash	200,000

(iii) Substantial shareholders

We own the entire equity interest in Morwell.

(iv) Subsidiary and associated companies

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, Morwell does not have any subsidiary or associated companies.

5. INFORMATION ON OUR GROUP (Cont'd)

5.8.3 Fujiiryoki

(i) History and Business

Fujiiryoki was incorporated in Malaysia under the Act on 11 June 1996 as a private limited company under the name of Healthy and Nice Sdn Bhd and commenced business on or about July 1996. It ceased its operations on 1 July 2001 following the transfer of its operations, assets and liabilities to Healthy World and has subsequently assumed its present name on 24 May 2004 and re-commenced operations on 1 July 2004.

Fujiiryoki is principally involved in the marketing and retailing of health care equipment and supplementary appliances.

(ii) Share Capital

The present authorised and issued and paid-up share capital of Fujiiryoki is as follows:

Type	No. of shares	Par value RM	Total RM
Authorised	500,000	1.00	500,000
Issued and fully paid-up	150,000	1.00	150,000

Details of the changes in the issued and paid-up share capital of Fujiiryoki since the date of incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
11.06.1996	2	Cash	2
20.12.1996	99,998	Cash	100,000
31.07.2004	50,000	Cash	150,000

(iii) Substantial Shareholders

We own 85.00% equity interest in Fujiiryoki. The other substantial shareholder of Fujiiryoki is Lee Kok Leong who owns 15.00% equity interest in Fujiiryoki.

(iv) Subsidiary and Associated Companies

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, Fujiiryoki does not have any subsidiary or associated companies.

5. INFORMATION ON OUR GROUP (Cont'd)

5.8.4 Ogawa Health-Care

(i) History and Business

Ogawa Health-Care was incorporated as a private limited company in Malaysia under the Act on 5 October 2001 and commenced its operations on 5 October 2001.

Ogawa Health-Care is principally involved in marketing and retailing of health care equipment and supplementary appliances.

(ii) Share Capital

The present authorised and issued and paid-up share capital of Ogawa Health-Care is as follows:

Type	No. of shares	Par value RM	Total RM
Authorised	1,000,000	1.00	1,000,000
Issued and fully paid-up	1,000,000	1.00	1,000,000

Details of the changes in the issued and paid-up share capital of Ogawa Health-Care since the date of incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
08.10.2001	2	Cash	2
30.08.2002	399,998	Cash	400,000
30.08.2005	600,000	Cash	1,000,000

(iii) Substantial Shareholders

We own 93.15% equity interest in Ogawa Health-Care. The other substantial shareholder of Ogawa Health-Care is Chong Yunn Fan, who owns 5.60% equity interest in Ogawa Health-Care.

(iv) Subsidiary and Associated Companies

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, Ogawa Health-Care does not have any subsidiary or associated companies.

5. INFORMATION ON OUR GROUP (Cont'd)

5.8.5 OHCKL**(i) History and Business**

OHCKL was incorporated as a private limited company in Malaysia under the Act on 26 March 2003 and commenced its operation on 1 July 2003.

OHCKL is principally involved in marketing and retailing of health care equipment and supplementary appliances..

(ii) Share Capital

The present authorised and issued and paid-up share capital of OHCKL is as follows:

Type	No. of shares	Par value RM	Total RM
Authorised	1,000,000	1.00	1,000,000
Issued and fully paid-up	1,000,000	1.00	1,000,000

Details of the changes in the issued and paid-up share capital of OHCKL since the date of incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
26.03.2003	2	Cash	2
01.07.2004	179,998	Cash	180,000
30.08.2005	820,000	Cash	1,000,000

(iii) Substantial Shareholders

We own 88.33% equity interest in OHCKL.

(iv) Subsidiary and Associated Companies

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, OHCKL does not have any subsidiary or associated companies.

5. INFORMATION ON OUR GROUP (Cont'd)

5.8.6 Buzzard Event

(i) History and Business

Buzzard Event was incorporated as a private limited company in Malaysia under the Act on 12 March 2003 and was principally involved in the business of an events organiser. Buzzard Event has ceased its operations on 1 March 2004 and is presently dormant.

(ii) Share Capital

The present authorised and issued and paid-up share capital of Buzzard Event is as follows:

Type	No. of shares	Par value RM	Total RM
Authorised	100,000	1.00	100,000
Issued and fully paid-up	100,000	1.00	100,000

Details of the changes in the issued and paid-up share capital of Buzzard Event since the date of incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
12.03.2003	2	Cash	2
13.03.2003	99,998	Cash	100,000

(iii) Substantial Shareholders

We own the entire equity interest in Buzzard Event.

(iv) Subsidiary and Associated Companies

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, Buzzard Event does not have any subsidiary or associated companies.

5.8.7 Ogawa Care Services

(i) History and Business

Ogawa Care Services was incorporated as a private limited company in Malaysia under the Act on 20 January 2005 and commenced its operations on 20 January 2005.

Ogawa Care Services is principally involved in the marketing, sales and servicing of health care equipment and supplementary appliances.

5. INFORMATION ON OUR GROUP (Cont'd)

(ii) Share Capital

The present authorised and issued and paid-up share capital of Ogawa Care Services is as follows:

Type	No. of shares	Par value RM	Total RM
Authorised	100,000	1.00	100,000
Issued and fully paid-up	90,000	1.00	90,000

Details of the changes in the issued and paid-up share capital of Ogawa Care Services since the date of incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
20.01.2005	2	Cash	2
21.01.2005	89,998	Cash	90,000

(iii) Substantial Shareholders

We own 90.00% equity interest in Ogawa Care Services. The other substantial shareholders of Ogawa Care Services are Peh Koon Wooi and Wong Kuan Tak, who owns 5.00% equity interest in Ogawa Care Services respectively.

(iv) Subsidiary and Associated Companies

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, Ogawa Care Services does not have any subsidiary or associated companies.

5.8.8 OHCPL

(i) History and Business

OHCPL was incorporated in the Republic of Singapore as a private limited company on 24 September 2002 and commenced its operations on 1 October 2002.

OHCPL is principally involved in the marketing, retailing, distribution and servicing of health-care equipment and supplementary appliances.

(ii) Share Capital

The present authorised and issued and paid-up share capital of OHCPL are as follows:

Type	No. of shares	Par value SGD	Total SGD
Authorised	500,000	1.00	500,000
Issued and fully paid-up	114,000	1.00	114,000

5. INFORMATION ON OUR GROUP (Cont'd)

Details of the changes in the issued and paid-up share capital of OHCPL since the date of incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital SGD
24.09.2002	10	Cash	10
20.12.2002	109,990	Cash	110,000
07.03.2004	4,000	Cash	114,000

(iii) Substantial Shareholders

We own 88.00% equity interest in OHCPL. The other substantial shareholders of OHCPL are Lim Mee Fong and Wong Mei Wan, who owns 5.00% and 7.00 % equity interest in OHCPL respectively.

(iv) Subsidiary and Associated Companies

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, OHCPL does not have any subsidiary or associated companies.

5.8.9 OHCEM

(i) History and Business

OHCEM was incorporated as a private limited company in Malaysia under the Act on 3 June 2005 and commenced its operations on 1 July 2005.

OHCEM is principally involved in the marketing and retailing of health care equipment and supplementary appliances.

(ii) Share Capital

The present authorised and issued and paid-up share capital of OHCEM is as follows:

Type	No. of shares	Par value RM	Total RM
Authorised	1,000,000	1.00	1,000,000
Issued and fully paid-up	1,000,000	1.00	1,000,000

Details of the changes in the issued and paid-up share capital of OHCEM since the date of incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
03.06.2005	2	Cash	2
30.08.2005	999,998	Cash	1,000,000

5. INFORMATION ON OUR GROUP (Cont'd)

(iii) Substantial Shareholders

We own 89.38% equity interest in OHCEM.

(iv) Subsidiary and Associated Companies

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, OHCEM does not have any subsidiary or associated companies.

5.8.10 OHCS

(i) History and Business

OHCS was incorporated as a private limited company in Malaysia under the Act on 3 June 2005 and commenced its operations on 1 July 2005.

OHCS is principally involved in the marketing and retailing of health care equipment and supplementary appliances.

(ii) Share Capital

The present authorised and issued and paid-up share capital of OHCS are as follows:

Type	No. of shares	Par value RM	Total RM
Authorised	1,000,000	1.00	1,000,000
Issued and fully paid-up	1,000,000	1.00	1,000,000

Details of the changes in the issued and paid-up share capital of OHCS since the date of incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital RM
03.06.2005	2	Cash	2
30.08.2005	999,998	Cash	1,000,000

(iii) Substantial Shareholders

We own 88.77% equity interest in OHCS.

(iv) Subsidiary and Associated Companies

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, OHCS does not have any subsidiary or associated companies.

5. INFORMATION ON OUR GROUP (Cont'd)

5.8.11 OSHCE

(i) History and Business

OSHCE was incorporated as a wholly foreign owned enterprise limited by registered capital having a term of thirty (30) years under business licence dated 14 September 2005 issued by the Shanghai Administration for Industry and Commerce. OSHCE has commenced its operations on 1 November 2005.

OSHCE is principally involved in the marketing, retailing, distribution and servicing of health-care equipment and supplementary appliances.

(ii) Share Capital

The present registered and issued and paid-up share capital of OSHCE are as follows:

Type	No. of shares	Par value USD	Total USD
Registered	200,000	1.00	200,000
Issued and fully paid-up	200,000	1.00	200,000

Details of the changes in the issued and paid-up share capital of OSHCE since the date of incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital USD
14.09.2005	200,000	Cash	200,000

(iii) Substantial Shareholders

Healthy World, our wholly-owned subsidiary, owns the entire equity interest in OSHCE, which in turn, is OWB's wholly owned subsidiary.

(iv) Subsidiary and Associated Companies

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, OSHCE does not have any subsidiary or associated companies.

5. INFORMATION ON OUR GROUP (Cont'd)

5.8.12 OHCIHK

(i) History and Business

OHCIHK was incorporated as a private limited company in Hong Kong under the Hong Kong Companies Ordinance on 12 December 2005 and commenced its operations on 14 February 2006.

OHCIHK is principally involved in the marketing, retailing, distribution and servicing of health-care equipment and supplementary appliances.

(ii) Share Capital

The present authorised and issued and paid-up share capital of OHCIHK are as follows:

Type	No. of shares	Par value HKD	Total HKD
Authorised	3,300,000	1.00	3,300,000
Issued and fully paid-up	3,300,000	1.00	3,300,000

Details of the changes in the issued and paid-up share capital of OHCIHK since the date of incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued and paid-up share capital HKD
12.12.2005	1	Cash	1
04.01.2006	299,999	Cash	300,000
26.06.2006	1,500,000	Cash	1,800,000
20.09.2006	1,500,000	Cash	3,300,000

(iii) Substantial Shareholders

Healthy World, our wholly-owned subsidiary, owns 98.18% equity interest in OHCIHK. Hence, the effective interest held by OWB in OHCIHK is 98.18%.

(iv) Subsidiary and Associated Companies

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, OHCIHK does not have any subsidiary or associated companies.

6. INDUSTRY OVERVIEW

6.1 Overview of the Global Economy

The global economy continues to grow despite high crude oil prices and monetary policy tightening in major economies. Economic activities in developed countries continue to expand, with the euro area improving on the back of positive consumer and business sentiments, while in Japan, growth continues to firm up with further strengthening in business and consumer confidence. The USA economy is showing signs of moderation. Among developing economies, growth continues to be strong in China, India and other nations in Asia, supported by rising exports, investment and consumption.

For the year, world gross domestic product ("GDP") is projected to expand further to 4.9% (2005: 4.8%). The strong growth forecast could be impeded by several downside risks, notably, a further increase in crude oil prices and global interest rates, disorderly adjustments of the global imbalances – the diverging current account positions of the world's main economic regions – as well as heightened geopolitical uncertainties in the Middle East.

Developing economies of Asia, with GDP growth averaging 8.5%, have outpaced other regions for the past three years. Leading economies are China and India growth forecast at 10.4% (2005: 9.9%) and 7.3% (2005: 8.4%), respectively for 2006. The Association of Southeast Asian Nations ("ASEAN") member countries are also expected to register strong growth ranging from 4.5% (Thailand) to 8% (Vietnam). Other Asian economies anticipated to show strong performance include Bhutan (13.2%), Afghanistan (11.7%) and Maldives (8%).

In an environment of high crude oil prices, tightening monetary conditions and deepening global imbalances, growth in the USA is forecast to register 3% to 3.25% in 2007 (2006: 3.25% - 3.5%), euro area 1.9% (2006: 2.1%) and Japan 2.1% (2006: 2.8%), with inflation in advanced economies forecasted to remain subdued at 2.1% (2006: 2.3%). Growth in the East Asian region, in particular China, will nevertheless continue to be robust supported by domestic demand and export growth. With growth in major economies generally on a moderating trend, global output in 2007 is projected to be lower at 4.7% (2006: 4.9%).

(Source: Economic Report 2006/2007, Ministry of Finance Malaysia)

6.2 Overview of the Malaysian Economy

The Malaysian economy continues to be resilient amidst persistent high world crude oil prices, rising inflationary pressures and monetary tightening, especially in major advanced economies. The continued expansion of Malaysian economy is in tandem with strong global growth, particularly in the USA and Asia despite earlier concerns associated with rising oil prices. Growth in the USA remains favourable despite hikes in interest rates, while in the Asian region, growth continues to expand driven by strong domestic demand and supported by increasing intra-regional trade. China, in particular, is expected to register yet another year of strong growth at 10.4% with the ASEAN economies, expanding at 5.8% in 2006.

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6. INDUSTRY OVERVIEW (*Cont'd*)

The growth momentum in Malaysia remains strong, driven by robust domestic demand and favourable export performance. Growth is supported by favourable financing and stable labour market conditions. The Government's strategic decision to move from a fixed exchange rate regime to a managed float was well-received and contributed to further boosting investor and consumer confidence. These factors, coupled with pro-business policies and political stability, continue to provide the enabling environment for the economy. Real GDP expanded at a strong pace of 5.9% in the second quarter, following a growth of 5.5% in the first quarter of 2006, while growth in the fourth quarter of 2005 grew by 5.2%. This unabated growth is expected to continue in the coming quarters to average 5.8% for the year as a whole. Growth is expected to be stronger in the second half of 2006 as reflected in the rising trend of the Leading Index of the Department of Statistics and the Business Conditions Index ("BCI") of the Malaysian Institute of Economic Research. For the second quarter of 2006, the Leading Index registered a growth of 6.3% (January-March 2006: 2.9%), while BCI remained above the threshold level for the first half of 2006, reflecting continued strong investor confidence in the economy.

Growth in 2006 is expected to be broad-based with positive contribution by all sectors, led by services, manufacturing and agriculture. Strong domestic consumption and continued expansion in trade-related activities are expected to support growth in the services sector, especially in the wholesale and retail trade, hotels and restaurants; transport, storage and communication; and financial services sub-sectors. The global uptrend in demand for electronics will impact positively on Malaysia's exports of electrical and electronic products, leading to a stronger growth in manufacturing output. Meanwhile, high commodity prices in particular of rubber and palm oil, are expected to boost output and generate higher income for the smallholders and farmers as well as commodity-based companies.

On the external front, developments remain positive with Malaysia continuing to record a trade surplus notwithstanding the higher growth in imports relative to exports. With continued inflows of foreign capital, the overall balance of payments is expected to remain strong in 2006, further strengthening the nation's economic fundamentals as well as boosting investor confidence. In tandem with the expansion in economic activities, national income as measured by nominal Gross National Product ("GNP") is estimated to increase by 11.6% to RM525,853 million, with per capita income rising by 9.4% to reach RM19,739 (2005: 10.7%; RM471,331 million; 8.4%; RM18,039). Taking into account the movement in foreign exchange and inflation, per capita income in terms of purchasing power parity ("PPP") is envisaged to increase by 11.8% to reach USD11,871 in 2006 (2005: 9.2%; USD10,614).

(Source: Economic Report 2006/2007, Ministry of Finance Malaysia)

6.3 Overview of the Malaysian Services Industry

The services sector continues to be the key driver of growth in 2006 and is expected to expand at a steady pace, led by growth in the wholesale and retail trade, hotels and restaurants; transport, storage and communication as well as finance, insurance, real estate and business services sub-sectors.

Trade-related services will continue to benefit from sustained exports, while resilient private spending will also render additional impetus to the continued expansion of the services sector. Growth of the services sector in 2006 is expected to increase by 5.7% (2005: 6.5%), in tandem with the expansion of other major sectors of the economy. Its share to GDP is expected to be sustained at 58.2% in 2006 (2005: 58.2%), reflecting concerted efforts by the Government to promote trade in services and to encourage the sector to move up the value chain. Of significance are efforts to further improve transportation and tourism with emphasis on health and education tourism as well as expedite the development of the information and communications technology industry.

6. INDUSTRY OVERVIEW (Cont'd)

Growth of the wholesale and retail trade, hotels and restaurants sub-sector is estimated at 6.5% (2005: 8%), supported by favourable consumer sentiment and strong business confidence as well as healthy labour market conditions. The strong growth in wholesale and retail activities is reflected in the establishment of new retail complexes and expansion activities of major hypermarkets, superstores and specialty stores. Making their debut in the mid-1990s, foreign-owned hypermarkets have gained popularity and have since expanded rapidly. As at end-July 2006, four foreign-owned hypermarkets operate 45 outlets in the country, providing employment to about 12,100 local workers. The expansion in the retail industry also benefited from the rapidly growing tourism industry, in particular the high spending tourists from the Middle East.

Consistent with the overall improvement in the global tourism market, the domestic tourism industry also strengthened further, supported by strong growth in the inbound tourist traffic, particularly from ASEAN countries. Tourist arrivals are expected to increase by 6.7% to reach 17.5 million in 2006, generating a revenue of RM34.6 billion (2005: 16.4 million; RM31.9 billion). During the first five months of the year, total tourist arrivals increased by 5.4% to 7.2 million visitors (January - May 2005: 4.9%; 6.8 million visitors), with a historical record of 1.54 million visitors in March 2006 in conjunction with major international events. In terms of market share, Malaysia remains a popular destination for ASEAN tourists, accounting for about 77% of total tourist arrivals. The launch of Visit Malaysia Year ("VMY") 2007 campaign in January 2006 in conjunction with the celebration of Malaysia's Golden Independence Anniversary is expected to further boost tourist arrivals to 20.1 million in 2007.

The Malaysian economy is expected to strengthen in 2007, despite a more challenging external environment. This optimism is underpinned by continued expansion of private sector activities, complemented by Government's pragmatic policies and strategies to diversify and promote the new sources of growth. Overall, real GDP growth is envisaged to expand at 6% in 2007 (2006: 5.8%), consistent with the growth targets outlined in the Ninth Malaysia Plan. Growth will continue to be broad-based with positive contribution from all sectors of the economy. With the encouraging economic prospects, nominal GNP per capita is projected to rise by 7.2% to reach RM21,168 (2006: 9.4%; RM19,739), reflecting improvements in the well-being of the rakyat. In terms of PPP, per capita income is expected to increase by 6.7% to reach USD12,666 (2006: 11.8%; USD11,871).

In tandem with favourable developments in the economy, the services sector is poised to register a higher growth of 6% in 2007 (2006: 5.7%). Growth will be broad-based, propelled by demand for retail and hospitality services, telecommunications, transport as well as business and financial services. Growth in the tourism sector is expected to emanate from higher tourist arrivals, special promotional activities and programmes in conjunction with VMY 2007. A total of 20.1 million tourist arrivals are expected in 2007 (2006: 17.5 million). Meanwhile, increased bank lending and other financial activities will boost growth of the finance, insurance, real estate and business services sub-sector. The transport, storage and communication sub-sector is forecast to record strong growth from capacity expansion in the transport infrastructure, investment by telecommunication companies as well as higher business and trade-related activities. In addition, significant developments taking place in the vicinity of Port Klang will further stimulate port activities, transport logistics and business-related activities and provide additional impetus to growth in the sub-sector.

(Source: Economic Report 2006/2007, Ministry of Finance Malaysia)

6. INDUSTRY OVERVIEW (*Cont'd*)

6.4 Overview of the Retail Sector and Consumer Spending Trends

The retail trade sector recorded a total sales value of RM59.9 billion in 2005, as compared to RM58.3 billion a year ago, an increase of RM1.6 billion or 2.7%. Retail sales from specialised stores have contributed increasingly towards the overall retail trade sales value, representing 72.2% of total retail trade in the first six (6) months of 2006 (January to June 2005: 69.9%). Specialised stores are stores which deal in one (1) main brand name / product / line of goods associated with one (1) product. They may specialise in food catering and restaurant services outside hotel premises; household/personal goods (for example, furniture, household electrical appliances, healthcare products, optical goods, footwear, clothing and apparel, sports goods, books, jewellery, spices, jewellery, electronic goods, etc); motorcycles-motor vehicles; small machinery, pharmaceutical products (for example, drugs, health and beauty care goods) and others.

Consumer spending has gradually become an engine of growth in Malaysia, as the case for the traditional reliance on export-led growth is beginning to be questioned, in the light of globalisation forces, the rise of China and structural changes in the economy. In fact, commercial banks in the country are focusing their lending portfolio on consumer lending instead of the conventional corporate loans.

A major part of consumer spending has gone into the purchase of key items like cars and houses. It can be said that the sales of massage chairs is indirectly linked to the property market. During the good times, the property market will experience a boom and house owners will also purchase the associated household and electrical products that will fill up the empty house. Hence, health and wellness equipment may also be purchased due to the increasing affluence and level of health consciousness of the society. The boom in consumer spending is also reflected in the growing number of shopping malls being opened, particularly in the Klang Valley.

Although the Consumer Sentiment Index softened towards the second half of 2004, consumers' willingness to spend remained unaffected. Private consumption is expected to maintain a sturdy growth of 7.1% in 2006 as compared to 9.2% in the previous year, following rising consumer confidence. Despite this, strong consumer spending continued to boost demand for retail space which has led to an improvement in the overall occupancy rate in shopping complexes from 80.1% in 2004 to 81.1% in 2005. Development of new shopping complexes was evidenced in popular residential areas and suburbs to target the surrounding affluent consumers.

The low interest rates provided additional impetus for households to spend on durable goods. Driven by income growth and financial innovation, new lending packages were made available to households by an increasingly competitive banking sector. Amongst some of the more popular consumer financing schemes was the zero interest instalment payment plan, which has played a major role in boosting general retail sales. Apart from the purchase of passenger cars, purchases of household furnishings and equipment increased in tandem with the relatively strong property sales in recent years. Malaysians have not tightened their belts nor have they abandoned plans to buy big-ticket items, an indication that household incomes are holding strong. Credit extended to households in Malaysia, in the form of housing loans or consumption, continues to rise. Backed by still-low interest rates, loans disbursed by the banking system to the household sector grew by 14.3% in April 2006 and 15.9% in May 2006. As at end August 2006, credit card outstanding balances alone amounted to RM18.4 billion, a significant increase of 18.2% year-on-year.

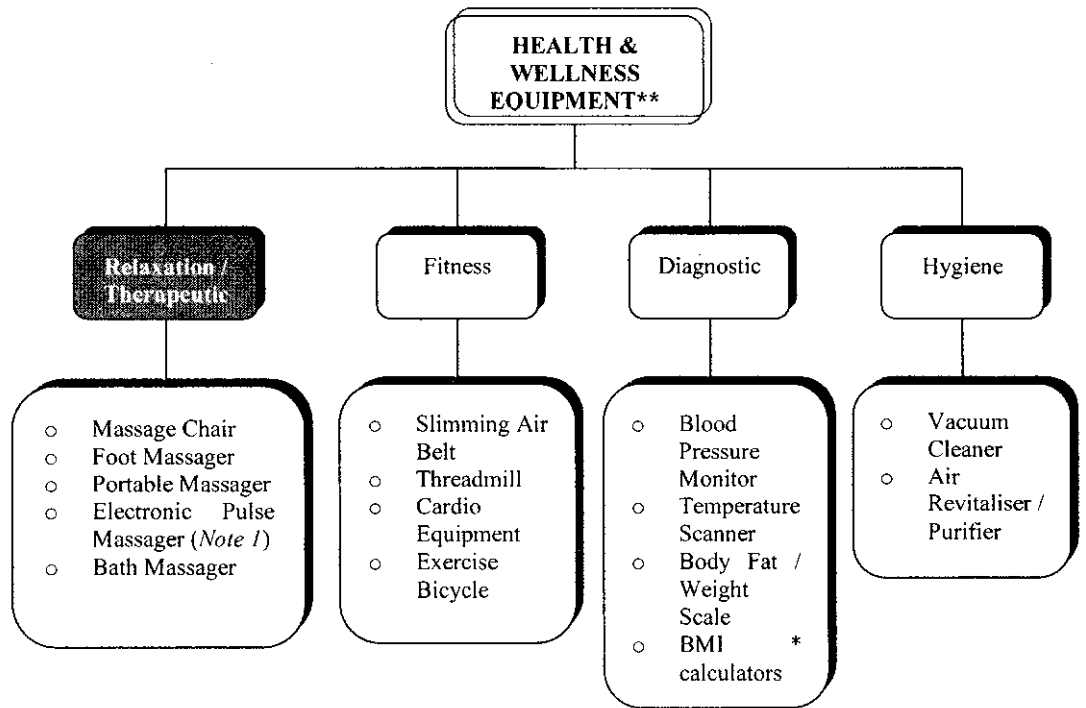
(Source: Executive Summary of the Independent Market Research Report dated 1 March 2007 by D&B Malaysia)

6. INDUSTRY OVERVIEW (Cont'd)

6.5 Health and Wellness Equipment Market

6.5.1 Overview of the Health and Wellness Equipment Market

The health and wellness equipment market in Malaysia mainly targets the household consumer market. The following diagrammatical illustration shows the classification of various healthcare equipment which have been segmented according to various functional aspects, namely relaxation/therapeutic, fitness, diagnostic and hygiene.



Notes:



Focus segment for the purpose of this study

Note 1 Also known as ionisers and positioning aids

* Body Mass Index

** For the purpose of this study, health and wellness equipment shall exclude products that are intended for health and social services delivered at home to recovering, disabled, chronically or terminally ill persons in need of medical, skilled nursing care, social or therapeutic treatment and/or assistance with the essential activities of daily life.

In Malaysia, most health and wellness equipment companies are engaged in the marketing, distribution and retail stage of the value chain. These companies are mainly involved in the advertising, promotion and sales of a wide range of health and wellness products. They operate from their local/overseas headquarters, which centralise the company's overall operations from supplier sourcing, product design and development, innovation and procurement to quality assurance/testing and after-sales service functions. The players mainly import massage and other health and wellness equipment from overseas countries such as Japan, China, Korea and Taiwan and sell them in the local market through the setting-up of local retail chain outlets. Most of the players also organise regular road-shows to promote their brands as well as to launch new products, and boost sales through offering discounts and free gifts for customers who make purchases during these road-shows.

6. INDUSTRY OVERVIEW (Cont'd)

Throughout the past few years, however, established brands such as OGAWA and OSIM have undertaken to design and develop innovative and multi-functional products to enhance their competitive edge. The shift towards taking charge of the product development stage is viewed as an important step towards becoming a market leader through the introduction of health and wellness equipment that meet consumers' changing taste.

Over the recent years since the popularity of massage chairs, foot massagers, and portable massagers gained momentum, there evolved the exclusive brand outlet concept which is the characteristic of the market for the health and wellness equipment as a whole. The exclusive brand outlet, or better known as the specialty store, is all about the complete brand experience, which includes the entire product range, the visual merchandising, the music, the look and the ambience. In their attempts at differentiation, brands have been increasingly moving into exclusive outlets and retail chains.

(Source: Executive Summary of the Independent Market Research Report dated 1 March 2007 by D&B Malaysia)

6.5.2 Demand and Supply Condition

As our society grows increasingly health conscious, the demand for relaxation/therapeutic and diagnostic health and wellness equipment is expected to continue growing. As Malaysians become more affluent, sophisticated and cosmopolitan, health, beauty, lifestyle and fitness become key leisure themes. The proliferation of malls, Mega Sale Carnivals and easier access to credit is promoting conspicuous consumption among Malaysians. Higher disposable income, which arose from firm commodity prices, stronger export earnings, better employment prospects as well as the positive wealth effects of favourable stock market conditions, have also given a major boost to private consumption. Coupled with other consumption indicators such as increased imports of consumption goods and credit card spending, private consumption expenditure is expected to maintain a healthy growth of 7.1% in 2006.

The easy availability, myriad choices and the continuous introduction of innovative massage technologies have made exercise and fitness activities easily accessible to all levels of society. Strong branding and extensive advertising and promotion activities have played important roles in building demand and ensuring supply in the domestic market. Key brands such as OGAWA and OSIM have created a strong visible presence in the health and wellness equipment market. In particular, the proliferation of massage chairs and foot massagers over the past few years is indicative of the wide acceptance of such healthy lifestyle products among the common customer.

(Source: Executive Summary of the Independent Market Research Report dated 1 March 2007 by D&B Malaysia)

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6. INDUSTRY OVERVIEW (Cont'd)

6.5.3 Industry Players and Competition

The current local health and wellness equipment market comprises key players such as the OWB Group and Osim (M) Sdn Bhd (“Osim Malaysia”). These larger players are predominantly involved in the product design and development stage up to the marketing, retailing and distribution, as well as servicing of these products. Apart from the OWB Group and Osim Malaysia, other players are mainly offering off-the-shelf health and wellness products and are more focused on the marketing, retailing and distribution of their own-brand products within the local market. Comparing the brand names, the smaller-scale players have a limited range of products with a small number of model types.

Competition among health and wellness equipment companies in Malaysia is increasingly competitive as evidenced by the large market size, which is estimated to reach close to RM380 million in 2007. This is further substantiated by the huge market share dominated by the OWB Group and Osim Malaysia, which accounted for approximately 77% of the local market in 2006. This will require the existing market players to constantly keep abreast with changing consumers’ tastes and preferences. Furthermore, the growth in the health and wellness equipment market is forecasted at a compound annual growth rate of approximately 16.9% over the next five (5) years. This level of growth is expected to stem from continued expansion of existing players and the introduction of a wider range of innovative and high-quality health and wellness products.

(Source: Executive Summary of the Independent Market Research Report dated 1 March 2007 by D&B Malaysia)

6.5.4 Market Share

Based on the Independent Market Research Report, the total local market of health and wellness equipment is estimated to be worth more than RM300 million in 2006 and the OWB Group is the market leader with about 44.8% market share. The current major players in the health and wellness equipment market in Malaysia are the OWB Group, Osim Malaysia, Gintell (M) Sdn Bhd, OTO Bodycare Sdn Bhd and Panasonic Malaysia Sdn Bhd.

(Source: Executive Summary of the Independent Market Research Report dated 1 March 2007 by D&B Malaysia)

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6. INDUSTRY OVERVIEW *(Cont'd)*

6.5.5 Government Legislations, Policies and Incentives

6.5.5.1 Government Regulations

Relaxation and/or therapeutic health and wellness equipment basically fall under the general consumer goods category, and hence, are not subject to any specific governmental health regulations, as well as other licensing or certification regulations in Malaysia.

In this regard, consumer confidence in such products basically falls back on the international safety standards that are imperative to the retail of such health and wellness equipment in most developed countries. In certain regions, such as the European Union, health equipments are covered by directives which set out the requirements for performance and safety of such equipment and procedures for checking product compliance. A product is required to have a CE mark to show full compliance with the European directive.

6.5.5.2 Government Incentives

As part of the Government's efforts to promote Malaysian brand names, a Brand Promotion Grant ("BPG") is granted to eligible brands identified, with the objective of developing and promoting, in the international market, brand names owned by Malaysian companies for products and services originating from Malaysia. The BPG only covers the cost of developing and promoting for one (1) brand per company. Hence, companies with more than one (1) brand name should select only one (1) to be promoted using the funds from the BPG.

The BPG is offered by the Malaysia External Trade Development Corporation in three (3) forms which allows for up to 10% of the total grant to be utilised for the promotion of the brand name in the domestic market as part of assisting Malaysian companies to create awareness of the brand in the local market.

(Source: Executive Summary of the Independent Market Research Report dated 1 March 2007 by D&B Malaysia)

6.5.6 Substitute Products/Services

Health and wellness equipment play a complementary role in relief of tension and stress and/or for general well-being. A possible substitute is the massage services provided by human massage therapists. The other possible substitute would be the spa, some of which offers hydrotherapies and/or a wide selection of essential oils, mud, sea salt and foams for relaxation and therapeutic values.

Nevertheless, health and wellness equipment has the advantage over its substitute with its portability and that users could enjoy the massage anytime and anywhere at their convenience. Moreover, the cost of the massage chairs could be spread over their usage and thus, will be comparatively less costly than the spa.

(Source: Executive Summary of the Independent Market Research Report dated 1 March 2007 by D&B Malaysia)

6. INDUSTRY OVERVIEW (Cont'd)

6.5.7 Reliance on and Vulnerability to Imports

In the current local health and wellness equipment market, all of the players' production needs are outsourced to external manufacturers that are based overseas, primarily in Japan, Korea, Taiwan and China. Collaboration with external manufacturers is a norm in which companies aim to gain more control over the source, availability and quality of health and wellness products. Companies essentially enter into supply agreements with the overseas-based manufacturers for the supply of health and wellness equipment.

(Source: Executive Summary of the Independent Market Research Report dated 1 March 2007 by D&B Malaysia)

6.6 Outlook of the Health and Wellness Equipment Market

With the burgeoning middle classes and strengthening of an accrued sense of home ownership in the Asian region, specialised outlets selling home appliances including health and wellness equipment, consumer electronics and do-it-yourself products will generally flourish. The local health and wellness equipment market has shown resilient growth trends whereby the market size for 2002 was estimated at RM130 million and has grown to more than RM300 million in 2006. As a whole, the local health and wellness equipment market is expected to achieve a compound annual growth rate of 16.9% for the next five (5) years reaching a market value of more than RM660 million in 2011.

Some of the growth drivers for the health and wellness equipment market are as follows:

- Higher disposable income, which arose from firm commodity prices, stronger export earnings, favourable demographic structure of the population, rising consumerism as well as high savings will provide the underlying support to private consumption, which is forecasted to moderately grow by 6.4% in 2007, as compared to 7.1% in 2006. Imports of consumption goods, including health and wellness equipment, as well as credit card spending also showed increases of 13.6% and 15.3% for the first six (6) months of 2006 (January to June 2005: 7.3%, 21.0%), respectively. Malaysians' per capita income has risen by 9.4% to RM19,739 in 2006 from RM18,039 in the previous year. This is expected to grow by 7.2% to RM21,168 in 2007.

As consumer sentiments remain positive and investor confidence gains momentum, domestic demand in real terms (excluding change in stocks) is estimated to increase by 7.8% and contribute 7.1 percentage points to overall GDP growth (2005: 7.3%; 6.5 percentage points). Stable labour market conditions, a supportive credit environment and high commodity prices would continue to provide support favourable consumption expenditure. Private investment outlays are also envisaged to provide additional capacities in an environment of strong demand conditions. Given such positive income growth prospects, private consumption expenditure would remain a significant source of stimulus for GDP growth in 2007.

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6. INDUSTRY OVERVIEW (Cont'd)

- With improved lifestyles and an increased knowledge of healthy diets and physical well-being, there is a nascent demand for health and wellness products and functional foods enriched with health supplements. Malaysians are becoming more affluent, sophisticated and cosmopolitan. They have moved on from the simple need for sustenance to key leisure themes such as health, beauty, lifestyle and fitness.
- Exercise and fitness are expected to continue to be important to consumers, who are likely to demand new and more varied equipment and services in order to maintain a healthy lifestyle. The most sought-after products may include hand-held and “intelligent” devices that support customised massage options and portable diagnostic monitoring devices that enable data collection, analysis and storage. These are expected to gain increasing popularity amongst the increasingly health-conscious society.
- Demographic trends have important impact on the health and wellness equipment market. According to the World Health Report released by the World Health Organisation, the world average life expectancy will rise to 73 years by 2025, representing a 50% improvement on the 1955 average of only 48 years. The number of people aged 65 and over will increase from 390 million in 1997 to 800 million in 2025 from 6.6% to 10% of the total world population. These trends have resulted in an increasing demand for health and wellness products designed for the ageing population.
- The increasing share of medical services or healthcare in household expenditures in some developing countries, such as China, Indonesia, Thailand and Vietnam, can be translated into more opportunities for Malaysian exporters of health and wellness products. Meanwhile, growth of public health expenditures in the more industrialised countries, such as Singapore and Australia, creates opportunities for health and wellness equipment targeting at patients undergoing recuperation and therapy processes.
- Overall medical trends shows that the massage chair may be ideally positioned to take advantage of one (1) of the newer medical applications, the treatment of chronic pain. Properly marketed, the chair could become the treatment chair of choice for this and other mental health related fields.
- As at end 2005, there are 220 shopping malls in Malaysia with a gross built-up area of about 122.5 million square feet (“sq. ft”) worth RM40.4 billion. An additional 28 million sq. ft of shopping space is projected to be available by 2007. Furthermore, this number of shopping malls is expected to rise to 260 with a gross built-up area of 140 million sq. ft worth RM55 billion.

The proliferation of shopping malls create opportunities for established retailers to expand their sales and distribution network, giving rise to increased market coverage which could translate into higher sales volume and revenues generated. In addition, tourism activities are expected to gain further momentum in line with promotional activities carried out by both public and private sectors in preparation for the Visit Malaysia Year 2007. The Government plans to achieve a target of 20.1 million tourist arrivals in 2007. With more shopping malls expected to open nationwide, higher tourists spending, coupled with positive domestic demand growth, would support the wholesale and retail trade, hotels and restaurants sub-sector, which is forecasted to expand at a sustainable rate of 7.3% in 2007.

6. INDUSTRY OVERVIEW (Cont'd)

- The level of a government's support to the domestic retail products sector will also significantly dictate the speed and direction of the health and wellness equipment market's growth. Government support can be in the form of subsidies, industrial support, taxes or sponsorship of research centres and etc, which will spur market growth, increasing the possibility of researching and developing new health and wellness products while improving the features and functions of such products to suit the local consumers' needs and demands. Incentives like double deduction for research and development, promotion of export and training expenses, promote the healthy growth in the industry. The strong promotion by the Malaysian Government for Malaysian brands since 1997/98 in an attempt to create an identity for Malaysian goods and services in the global marketplace has also positively influenced the market for home-grown brand names such as OGAWA.

(Source: Executive Summary of the Independent Market Research Report dated 1 March 2007 by D&B Malaysia)

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7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

7.1 Promoters, Directors and Substantial Shareholders

7.1.1 Promoters, Directors and Substantial Shareholders' Shareholdings

Our Promoters, Directors and Substantial Shareholders and their respective shareholdings in our issued share capital before and after the IPO are as follows:

	Nationality/ Country of Incorporation	Designation	Before the IPO				After the IPO					
			Direct		Indirect		Direct		Indirect			
			No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%		
Promoters, Substantial Shareholders and Directors												
Wong Lee Keong	Malaysian	Executive Chairman	12,070,800*	11.74	61,200,000 ⁽¹⁾	59.53	539,700	0.45	61,200,000 ⁽¹⁾	51.00		
Lim Poh Khian	Malaysian	Deputy Executive Chairperson	10,461,200*	10.18	61,200,000 ⁽¹⁾	59.53	467,700	0.39	61,200,000 ⁽¹⁾	51.00		
Lim Mee Ling	Malaysian	Executive Director	4,548,000*	4.42	67,738,400 ⁽²⁾	65.89	203,300	0.17	62,002,400 ⁽²⁾	51.67		
Cheah Yew Kong	Malaysian	Executive Director	4,548,000*	4.42	61,345,600 ⁽³⁾	59.68	203,300	0.17	61,345,600 ⁽³⁾	51.12		
Chong Swee Main	Malaysian	Executive Director	3,330,000*	3.24	61,681,600 ⁽⁴⁾	60.00	148,900	0.12	61,681,600 ⁽⁴⁾	51.40		
Lim Wai Heng	Malaysian	Executive Director	2,726,800*	2.65	69,559,600 ⁽⁵⁾	67.67	121,900	0.10	62,083,800 ⁽⁵⁾	51.74		

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

	Country of Incorporation/ Nationality/	Designation	Before the IPO				After the IPO				
			Direct		Indirect		Direct		Indirect		
			No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
Substantial Shareholders											
Great Genesis	Malaysia	-	59.53	-	-	61,200,000	51.00	-	-	-	-
Directors											
Y.A.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah	Malaysian	Independent Non-Executive Director	-	-	-	10,000 [^]	0.01	-	-	-	-
Dr Ahmad Kamal bin Md Alif	Malaysian	Independent Non-Executive Director	-	-	-	10,000 [^]	0.01	-	-	-	-
Leong Khai Cheong	Malaysian	Independent Non-Executive Director	-	-	-	10,000 [^]	0.01	-	-	-	-

Notes:

* During the prescription period, certain shareholders of our Company, namely, Wong Lee Keong, Lim Poh Khian, Lim Mee Ling, Cheah Yew Kong, Chong Swee Main and Lim Wai Heng, will transfer a portion of their Shares to Great Genesis. Please refer to Section 5.3.4 for further details.

1. Deemed interest by virtue of his/her direct interest in Great Genesis, held after the completion of the Share Transfer.
2. Deemed interest by virtue of her direct interest in Great Genesis, held after the completion of the Share Transfer as well as the interests of her siblings, Lim Wai Heng, Lim Mee Fong and Lim Mee Yen (assuming full subscription of her Pink Form Allocation), and her brother-in-law, Chong Swee Main in our Company.
3. Deemed interest by virtue of his direct interest in Great Genesis, held after the completion of the Share Transfer and the interest of his brother, Cheah Yew Keng in our Company.
4. Deemed interest by virtue of his direct interest in Great Genesis, held after the completion of the Share Transfer and the interest of his spouse, Lim Mee Fong in our Company.
5. Deemed interest by virtue of his direct interest in Great Genesis, held after the completion of the Share Transfer as well as the interests of his siblings, Lim Mee Ling, Lim Mee Fong and Lim Mee Yen (assuming full subscription of her Pink Form Allocation), and his brother-in-law, Chong Swee Main in our Company.

[^] Assuming full subscription of the Pink Form Allocation.

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.1.2 Profile of our Promoters and Substantial Shareholders

The substantial shareholders of our Company will consist of Great Genesis and the Promoters, pursuant to the Share Transfer. The profile of our Promoters who are also Directors of our Group are set out in Section 7.1.3 of this Prospectus.

Great Genesis was incorporated as a private limited company in Malaysia under the Act, on 5 August 2005. Its current authorised share capital comprises 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up. It is principally an investment holding company.

The present Directors and substantial shareholders of Great Genesis are Ho Meng Chan and Wu Siew Hong. During the prescription period, our substantial shareholders, namely Wong Lee Keong, Lim Poh Khian, Lim Mee Ling, Cheah Yew Kong, Chong Swee Main and Lim Wai Heng, will transfer certain portion of their Shares to Great Genesis.

The shareholdings of the Directors and substantial shareholders of Great Genesis in the issued and paid-up share of Great Genesis before and after the IPO of OWB are as follows:

Name	Nationality	Before the IPO				After the IPO			
		Direct		Indirect		Direct		Indirect	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Wong Lee Keong	Malaysian	-	-	-	-	19,600	32.02	-	-
Lim Poh Khian	Malaysian	-	-	-	-	16,990	27.76	-	-
Lim Mee Ling	Malaysian	-	-	-	-	7,380	12.06	9,850 ⁽¹⁾	16.09
Cheah Yew Kong	Malaysian	-	-	-	-	7,380	12.06	-	-
Chong Swee Main	Malaysian	-	-	-	-	5,420	8.86	-	-
Lim Wai Heng	Malaysian	-	-	-	-	4,430	7.24	12,800 ⁽²⁾	20.91
Ho Meng Chan	Malaysian	1	50.00	-	-	1	^	-	-
Wu Siew Hong	Malaysian	1	50.00	-	-	1	^	-	-

Notes:

^ Negligible.

1. Deemed interest by virtue of her sibling, Lim Wai Heng and her brother-in-law, Chong Swee Main's shareholdings in Great Genesis, held after the completion of the Share Transfer.

2. Deemed interest by virtue of his sibling, Lim Mee Ling and his brother-in-law, Chong Swee Main's shareholdings in Great Genesis, held after the completion of the Share Transfer.

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7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.1.3 Profile of our Directors**(i) Wong Lee Keong**

Wong Lee Keong, aged 54, was appointed as Executive Chairman of OWB on 4 January 2007. He is one of the co-founders of Healthy World, Fujiiryoki and Morwell and is currently the Executive Director of these companies. He is also an Executive Director of the subsidiaries within our Group. He has more than 29 years of experience in the wholesale and retail business in Malaysia and is the driving force behind the development, growth and expansion of our Group. He has transformed OGAWA into the leading Malaysian brand in the local health and wellness equipment market. Mr Wong is currently responsible for setting the directions of our 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 PDD Department. Mr Wong will also be a Director and shareholder of Great Genesis, which will be our substantial shareholder pursuant to the Share Transfer.

(ii) Lim Poh Khian

Lim Poh Khian, aged 48, was appointed as Deputy Executive Chairperson of OWB on 4 January 2007. She is one of the co-founders of Healthy World, Fujiiryoki and Morwell and is currently the Executive Director of these companies. She is also an Executive Director of the subsidiaries within our Group. Ms Lim has more than 27 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 our Group's operations. She is also involved in business development, market expansion and marketing strategies of our Group. Ms Lim will also be a Director and shareholder of Great Genesis, which will be our substantial shareholder pursuant to the Share Transfer.

(iii) Lim Mee Ling

Lim Mee Ling, aged 40, was appointed as Executive Director of OWB on 4 January 2007 and currently heads the Marketing Department of our Group. She is also an Executive Director of the subsidiaries within our Group. She graduated with a Masters in Business Administration from Shermont Business Academy, United States in 2003. Ms Lim joined Healthy & Nice (*currently known as Fujiiryoki*) in 1996 as the manager of its first retail outlet. In 2001, she joined Healthy World as the Executive Director responsible for the formulation and implementation of marketing strategies for both local and overseas markets and public relations for our Group. Ms Lim will also be a Director and shareholder of Great Genesis, which will be our substantial shareholder pursuant to the Share Transfer.

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7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

(iv) Cheah Yew Kong

Cheah Yew Kong, aged 34, was appointed as Executive Director of OWB on 4 January 2007 and currently heads the PDD Department of our Group. He is also an Executive Director of the subsidiaries within our Group. He graduated with a Diploma in Graphic Design from The One Academy, Malaysia in 1994. He has more than 11 years experience in advertising, marketing and graphic design. In 2001, he joined Healthy World and is mainly involved in product design and development, product quality assurance and service quality assurance of our Group. Mr Cheah will also be a Director and shareholder of Great Genesis, which will be our substantial shareholder pursuant to the Share Transfer.

(v) Chong Swee Main

Chong Swee Main, aged 33, was appointed as Executive Director of OWB on 4 January 2007 and currently heads the Sales Department of our Group. He is also an Executive Director of the subsidiaries within our Group. Mr Chong graduated with a Diploma in Business Administration from Binary Business School, Malaysia in 1993. He began his career in marketing in 1994 as a marketing executive in Media Signs Sdn Bhd. He has more than 10 years experience in the sales and marketing industry. In 2001, Mr Chong joined Healthy World as the Executive Director responsible for our Group's Sales Department. Mr Chong is also involved in business development and overseas market expansion of our Group. He will also be a Director and shareholder of Great Genesis, which will be our substantial shareholder pursuant to the Share Transfer.

(vi) Lim Wai Heng

Lim Wai Heng, aged 36, was appointed as Executive Director of OWB on 4 January 2007 and currently heads the Warehousing and Logistic Department of our Group. He is also an Executive Director of the subsidiaries within our Group. He joined Healthy World in 2001 as the Executive Director responsible for our Group's purchasing, inventory and logistic management. He is also involved in our Group's overseas market expansion. Mr Lim will also be a Director and shareholder of Great Genesis, which will be our substantial shareholder pursuant to the Share Transfer.

(vii) Y.A.M Raja Dato Seri Azureen Binti Sultan Azlan Shah

Y.A.M Raja Dato Seri Azureen Binti Sultan Azlan Shah, aged 49, was appointed as an Independent Non-Executive Director of OWB on 8 February 2007. 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 President of Masterskill College of Nursing & Health. She is actively involved in various social welfare and charitable activities and has been the President of the National Society for the Deaf since 1996. She is the President, World Martial Arts Centre, Kuala Lumpur, Patron, Riding for the Disabled, Malaysia, Patron of the Perak Ladies Club (Federal Territory and Selangor) and Patron of Friends of the National Library.

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

(viii) Dr Ahmad Kamal bin Md Alif

Dr Ahmad Kamal bin Md Alif, aged 60, was appointed as an Independent Non-Executive Director of OWB on 8 February 2007. He 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).

He 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 left for private practice in 1984 and is currently practicing on a locum basis as a Consultant Radiologist with Putra Specialist Hospital (Melaka) Sdn Bhd (*formerly known as The Southern Hospital Sdn Bhd*) since his retirement in 2004. Presently, he is also a Director of Apex Healthcare Berhad, a company listed on the Main Board of Bursa Securities.

(ix) Leong Khai Cheong

Leong Khai Cheong, aged 55, was appointed as an Independent Non-Executive Director of OWB on 8 February 2007. He 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 ("UK") and a Certified Public Accountant, Singapore.

He 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. Presently, he is also a Director of Apex Healthcare Berhad, a company listed on the Main Board of Bursa Securities.

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7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.1.4 Promoters, Directors and Substantial Shareholders' Directorships and Substantial Shareholdings in Other Public Corporations for the Past Two (2) Years

Save as disclosed below, none of our Promoters, Directors and substantial shareholders have any directorships or substantial shareholdings in other public corporations for the past two (2) years up to 22 February 2007, being the latest practicable date prior to the printing of this Prospectus.

Directors	Name of Public Corporation	Designation	Substantial Shareholdings as at 22 February 2007			
			<-----Direct----->		<-----Indirect----->	
			No. of shares	%	No. of shares	%
Dr Ahmad Kamal bin Md Alif	Apex Healthcare Berhad	Independent Non- Executive Director	*	*	*	*
Leong Khai Cheong	Apex Healthcare Berhad	Independent Non- Executive Director	*	*	*	*

Note:

* Not substantial

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7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.1.5 Changes in our Promoters and Substantial Shareholders' Shareholdings

The changes in the registered substantial shareholders' shareholdings in our Company since incorporation are as follows:

	As at date of incorporation (12 October 2005)		After the Acquisitions				After the Rights Issue*			
	Direct		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Bon Kah Hui	1,000	50.00	-	-	-	-	-	-	-	-
Tham Mee Yong	1,000	50.00	-	-	-	-	-	-	-	-
Wong Lee Keong	-	-	22,622,000	30.81	-	-	31,670,800	30.81	-	-
Lim Poh Khian	-	-	19,608,000	26.70	-	-	27,451,200	26.70	-	-
Lim Mee Ling	-	-	8,520,000	11.60	11,706,000 ⁽¹⁾	15.94	11,928,000	11.60	16,388,400 ⁽¹⁾	15.94
Cheah Yew Kong	-	-	8,520,000	11.60	104,000 ⁽²⁾	0.14	11,928,000	11.60	145,600 ⁽²⁾	0.14
Chong Swee Main	-	-	6,250,000	8.51	344,000 ⁽³⁾	0.47	8,750,000	8.51	481,600 ⁽³⁾	0.47
Lim Wai Heng	-	-	5,112,000	6.96	15,114,000 ⁽⁴⁾	20.58	7,156,800	6.96	21,159,600 ⁽⁴⁾	20.58

Notes:

* Before the Share Transfer, which shall take place during the prescription period. Please refer to Section 5.3.4 for further details.

1. Deemed interest by virtue of her shareholdings and her siblings, Lim Wai Heng and Lim Mee Fong's and her brother-in-law, Chong Swee Main's shareholdings in our Company.
2. Deemed interest by virtue of his shareholdings and his sibling, Cheah Yew Kong's interest in our Company.
3. Deemed interest by virtue of his shareholdings and his spouse, Lim Mee Fong's shareholdings in our Company.
4. Deemed interest by virtue of his shareholdings and his siblings, Lim Mee Ling and Lim Mee Fong's, and his brother-in-law, Chong Swee Main's shareholdings in our Company.

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.1.6 Directors' Remuneration and Benefits

The remuneration and material benefits-in-kind paid and proposed to be paid to all our Directors for services rendered to us in all capacities to our Group was approximately RM2.101 million for the FYE 30 June 2006, and forecasted at RM2.220 million for the financial year ending 30 June 2007.

The remuneration and material benefits-in-kind paid/forecasted to be paid to our Directors is as follows:

Directors	FYE 30 June 2006 RM	Financial Year Ending 30 June 2007 RM
Wong Lee Keong	RM350,001 to RM400,000	RM350,001 to RM400,000
Lim Poh Khian	RM350,001 to RM400,000	RM350,001 to RM400,000
Lim Mee Ling	RM300,001 to RM350,000	RM350,001 to RM400,000
Cheah Yew Kong	RM300,001 to RM350,000	RM350,001 to RM400,000
Chong Swee Main	RM400,001 to RM450,000	RM350,001 to RM400,000
Lim Wai Heng	RM300,001 to RM350,000	RM350,001 to RM400,000
Y.A.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah	-	Less than RM50,000
Dr Ahmad Kamal bin Md Alif	-	Less than RM50,000
Leong Khai Cheong	-	Less than RM50,000

7.1.7 Term of Office

According to our Articles of Association, one third (or the number nearest to one third) of our Directors are required to retire from office at each annual general meeting. However, a retiring Director is eligible for re-election at the meeting at which he retires. An election of Directors shall take place each year.

Any person appointed as Director, either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Our Directors, Wong Lee Keong, Lim Poh Khian, Lim Mee Ling, Cheah Yew Kong, Chong Swee Main, Lim Wai Heng, Y.A.M. Raja Dato Seri Azureen Binti Sultan Azlan Shah, Dr Ahmad Kamal bin Md Alif and Leong Khai Cheong shall hold office until the next annual general meeting and shall then be eligible for re-election.

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7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

7.2 Audit, Remuneration and Nomination Committee

7.2.1 Audit Committee

The composition of our Audit Committee is as follows:

Name	Designation	Directorship
Leong Khai Cheong	Chairman	Independent Non-Executive Director
Dr Ahmad Kamal bin Md Alif	Member	Independent Non-Executive Director
Chong Swee Main	Member	Executive Director

The summary of the terms of reference of the Audit Committee is as follows:

- (i) recommends to our Board regarding the selection of the external auditors;
- (ii) reviews the results and scope of the audit and other services provided by our Group's external auditors;
- (iii) reviews and evaluates our Group's internal audit and control functions; and
- (iv) assess the financial risk and matters relating to related party transactions and conflict of interests.

The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

7.2.2 Remuneration Committee

The composition of our Remuneration Committee is as follows:

Name	Designation	Directorship
Wong Lee Keong	Chairman	Executive Chairman
Leong Khai Cheong	Member	Independent Non-Executive Director
Dr Ahmad Kamal bin Md Alif	Member	Independent Non-Executive Director

The summary of the terms of reference of the Remuneration Committee is as follows:

- (i) recommend to our Board the remuneration of the Directors;
- (ii) assist our Board in assessing the responsibility and commitment undertaken by our Board membership; and
- (iii) assist our Board in ensuring the remuneration of our Directors reflects the responsibility and commitment of the Director concerned.

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.2.3 Nomination Committee

The composition of our Nomination Committee is as follows:

Name	Designation	Directorship
Wong Lee Keong	Chairman	Executive Chairman
Leong Khai Cheong	Member	Independent Non-Executive Director
Dr Ahmad Kamal bin Md Alif	Member	Independent Non-Executive Director

The summary of the terms of reference of the Nomination Committee are as follows:

- (i) review our Board structure, size and composition;
- (ii) nominate candidates to the Board to fill Board vacancies when they arise;
- (iii) recommend Directors who are retiring by rotation to be put forward for re-election; and
- (iv) ensure that all Board appointees undergo an appropriate introduction and training programme.

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7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.3 Key Management and Key Technical Personnel

7.3.1 Key Management's and Key Technical Personnel's Shareholdings

The direct and indirect interests of our key management and key technical personnel in our issued and paid-up share capital before and after the IPO are as follows:

Name	Designation	Before the IPO				After the IPO			
		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Yong Sicw Kim	General Manager of Human Resource and Administration	-	-	-	-	750,000 [^]	0.63	-	-
Poo Kwong Weng	General Manager of Finance and Information Technology	-	-	-	-	750,000 [^]	0.63	-	-
Yong Wai Loon	PDD Manager	-	-	-	-	50,000 [^]	0.04	-	-
Ter Kong Khai	Technical Product Designer	-	-	-	-	30,000 [^]	0.03	-	-
Hamizi Bin Abdul Hamid	Programme Engineer	-	-	-	-	30,000 [^]	0.03	-	-

Note:

[^] Assuming full subscription of the Pink Form Allocation.

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.3.2 Profile of our Key Management and Key Technical Personnel**(i) Yong Siew Kim**

Yong Siew Kim, aged 55, is the General Manager of Human Resource and Administration of our Group. Ms Yong joined Malaysian Airline System Berhad in 1971 and was there for 26 years whereby her last held position was cabin crew executive. She joined Healthy & Nice (*currently known as Fujiiryoki*) as a Marketing Executive in 1997. In 2001, she joined Healthy World and is responsible for the human resource and administrative functions.

(ii) Poo Kwong Weng

Poo Kwong Weng, aged 47, is the General Manager of Finance and Information Technology ("IT") of our Group. Mr Poo graduated with a Bachelor of Accounting and Finance from Middlesex University, United Kingdom ("UK") in 1982 and is a Chartered Member of the Institute of Internal Auditors Malaysia; and Institute of Financial Accountant, UK. Mr Poo is also a member of the Information Systems Audit and Control Association, USA. In 1992, Mr Poo joined a public listed company as the Group Internal Audit Manager. Later in 1996, he moved on to join a large international shipping conglomerate from Hong Kong until 2002. In 2003, he joined Healthy World as the General Manager overseeing the Finance and IT Department.

(iii) Yong Wai Loon

Yong Wai Loon, aged 27, is the PDD Manager of our Group. Mr Yong graduated with a Diploma in Electrical and Electronic Engineering from the Institute Teknologi Pertama, Malaysia in 2000. In 2000, he joined OSIM (M) Sdn Bhd as a Technician and was later promoted to Technical Supervisor in 2002. He left OSIM (M) Sdn Bhd and joined Healthy World as the Technical Supervisor in 2003. In 2005, he was promoted as the PDD Manager of our Group where he is responsible for product design and development. Mr Yong is also responsible for ensuring that our products adhere to the strict quality control procedures and for improving the efficiency and effectiveness of the after-sale service technical support provided to our customers.

(iv) Ter Kong Khai

Ter Kong Khai, aged 35, is the Technical Product Designer in the PDD Department. He obtained a Certificate in Electrical & Electronic Engineering from PIE Electronic Institute in Ipoh, in 1988. After graduation, he started his career as a trainee in Syarikat Perniagaan Kian Seng Electronic in 1989. He joined Healthy World in 2002 as a Technician and was promoted as Technical Product Designer in 2005. He ensures that the designs of our Group's products strictly adhere to our Group's guidelines and safety standards during the product design and development stage.

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

(v) Hamizi Bin Abdul Hamid

Hamizi Bin Abdul Hamid, aged 33, is the Programme Engineer in PDD Department. He obtained a Diploma in Electrical & Electronic Engineering from College Electronic Wilayah in 1994. After graduation, he started his career as a Trainee in Plateau Electronics Enterprise in 1995. He joined Jia Tech Sdn Bhd as a Technician in 1998. He joined Healthy World in 2005 as a Programme Engineer. His responsibilities include the design and development of programming functions of our products.

7.4 Declaration from our Promoters, Directors, Key Management and Key Technical Personnel

None of our Promoters, Directors, key management and key technical personnel is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws that was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or key personnel;
- (ii) disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged and/or convicted in a criminal proceeding or is named subject of a pending criminal proceeding;
- (iv) any judgement was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

7.5 Relationships

As at 22 February 2007, being the latest practicable date prior to the printing of this Prospectus, there is no family relationship (as defined in Section 122A of the Act) or association between our substantial shareholders, promoters, Directors, key management and key technical personnel save for the following:

- (a) Lim Mee Ling and Lim Wai Heng are siblings; and
- (b) Chong Swee Main is the brother-in-law of Lim Mee Ling and Lim Wai Heng.

7.6 Service Agreements

There are no existing or proposed service agreements between our Group and Directors or key management, excluding contracts expiring or determinable by our Company without payments or compensation (other than statutory compensation), which are not terminable by notice without payment or compensation (other than statutory notice).

7. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.7 Involvement of Executive Directors and Key Management in other Business/Corporation

Save as disclosed below, none of our executive Directors and key management are involved in other businesses/corporations:

Key Management	Name of Corporation	Principal Activities	Nature of Interest	Remarks
Poo Kwong Weng	Master Rank Engineering Sdn Bhd	Provision of air-condition services and project management	Non-executive Director and substantial shareholder	Time and effort spent is minimal
	Span Mode Engineering Sdn Bhd	Provision of air-condition services and project management	Non-executive Director and substantial shareholder	Time and effort spent is minimal

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8. APPROVALS AND CONDITIONS

8.1 Conditions on Approvals for the Flotation Exercise

The Flotation Exercise as set out in Section 5.3 of this Prospectus, has been approved by the SC, pursuant to the Securities Commission Act, 1993 and the FIC Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests on 6 December 2006.

The conditions imposed by the SC in its approval and the status of compliance are set out as follows:

Conditions	Status of compliance
<p>(i) With regard to trade debtors, OWB is to comply with the following conditions:</p> <p>(a) Fully disclose in the listing prospectus the debtors' position, the ageing analysis and, for amounts exceeding the credit period (if any), comments by Directors on the recoverability of the amounts;</p> <p>(b) Full provision should be made for all overdue trade debtors (if any) which are in dispute or under legal action, or for amounts which have been outstanding for more than six (6) months (if any). The Directors of OWB should confirm to the SC that this condition has been complied with prior to the issuance of the listing prospectus; and</p> <p>(c) The Directors of OWB should confirm and submit a declaration to the SC that trade debtors exceeding the credit period which have not been provided for as doubtful debts, excluding those under paragraph (i)(b) above, are recoverable;</p> <p>(ii) The Directors and substantial shareholders of OWB should not, in the future, be involved in any business, which would be in conflict with the business of the OWB Group;</p> <p>(iii) PIVB/OWB to submit the list of placees upon completion of the placement exercise which shall contain the following information:</p> <p>(a) Name of placees / ultimate beneficiaries for nominee companies (if any);</p> <p>(b) Identity card / passport / company registration number;</p> <p>(c) Central Depository System number;</p> <p>(d) Home / business address;</p> <p>(e) Occupation / principal activities;</p> <p>(f) Date of listing of placement shares;</p>	<p>Complied. Please refer to Section 11.18 of this Prospectus.</p> <p>Complied.</p> <p>Confirmation letters from our Directors dated 5 March 2007 have been submitted to the SC.</p> <p>Complied.</p> <p>Confirmation letters from our Directors dated 5 March 2007 have been submitted to the SC.</p> <p>Noted and to be complied.</p> <p>Noted and to be complied.</p>

8. APPROVALS AND CONDITIONS (Cont'd)

Conditions	Status of compliance
(g) Number of placement shares allocated; (h) Issue price of the placement shares; and (i) Name of placement agent;	
(iv) PIVB to submit a confirmation to the SC that the placement exercise complied with Guidelines Note 6D of Issues Guidelines;	Noted and to be complied.
(v) OWB to comply with the National Development Policy ("NDP") requirement whereby Bumiputera investors holding at least 30% of the enlarged share capital of OWB to be recognised/approved by the MITI;	Complied.
(vi) PIVB/OWB to inform SC on the status of compliance with the NDP requirement upon completion of the listing exercise; and	Noted and to be complied.
(vii) Full compliance with all the relevant requirements as specified by the Issues Guidelines.	Noted and to be complied.

The SC has taken note that the equity structure relating to Bumiputera, non-Bumiputera and foreign shareholdings in OWB would change arising from the implementation of the flotation proposal, as follows:

	Before proposals ⁽¹⁾ %	After proposals %
Bumiputera	0.00	30.00 ⁽²⁾
Non-Bumiputera	100.00	70.00
Foreigners	0.00	0.00
Total	100.00	100.00

Notes:

(1) As at incorporation.

(2) Subject to MITI's approval.

Further, the SAC of SC has vide its letter dated 27 December 2006 classified our securities as being Syariah-compliant for the purpose of the IPO, based on our activity and financial information for the FYE 30 June 2006. The classification is valid until a reassessment is made by the SAC of the SC based on the information for the next financial year.

8. APPROVALS AND CONDITIONS (Cont'd)

The MITI has vide its letters dated 5 March 2007 and 21 March 2007 approved the allocation of 36,000,000 Shares reserved for Bumiputera investors to be offered at the IPO Price. The said allocation is subject to the following conditions:

Conditions	Status of compliance
(i) 30% of the total allocated Shares is allowed to be sold within a period of three (3) months after the Shares are listed; and	To be observed by the respective Bumiputera investors.
(ii) the balance of 70% of the total allocated Shares is allowed to be sold on staggered basis after obtaining the approval from the MITI.	To be observed by the respective Bumiputera investors.

In the event that any Bumiputera investors approved by the MITI fails to subscribe for the portion of OWB Shares allocated to them, the MITI had, via its letter dated 22 March 2007, approved the deposit of up to 36,000,000 Shares in trust account for a period of 12 months from the date of Listing. These Shares shall be distributed to Bumiputera investors approved by MITI after the Listing of OWB. This approval is subject to the compliance of public spread requirement or OWB having obtained the waiver from complying with such requirement from Bursa Securities.

Bursa Securities has granted its approval-in-principal for our Listing vide its letter dated 16 March 2007.

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9. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST

9.1 Existing and Proposed Related Party Transactions

There are no related party transactions and/or conflict of interests, existing or proposed, entered into between our Group and our related parties for the past three (3) FYE 30 June 2006 and the subsequent financial period thereof, immediately preceding the date of this Prospectus. Related parties means Directors, substantial shareholders and/or persons connected with such Director or substantial shareholder as defined under Section 122A of the Act.

9.2 Loans Made to Related Parties

There are no outstanding loans (including guarantees of any kind) made by our Group to or for the benefit of related parties in respect of the past three (3) FYE 30 June 2006 and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

9.3 Transactions that are Unusual in their Nature or Condition

There are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which we or our subsidiary was a party in respect of the past three (3) FYE 30 June 2006 and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

9.4 Promotion of Assets

Save for the Acquisitions, of which details are set out in Section 5.3.1 of this Prospectus, none of our Directors and/or substantial shareholders has any interest, direct or indirect, in the promotion of or in any material assets which have, within the three (3) FYE 30 June 2006 and the subsequent financial period thereof, immediately preceding the date of this Prospectus, been acquired or disposed of by or leased to our Group, or are proposed to be acquired or disposed of by or leased to our Group.

9.5 Interest in Similar Business

None of our Directors and/or substantial shareholders has any interest, direct or indirect, in any other businesses and corporation carrying on a similar trade as that of our Group.

9.6 Declaration by Advisers

PIVB has given the confirmation that there is no existing or potential conflict of interest in its capacity as the Adviser, Managing Underwriter, Underwriter and Placement Agent in respect of the IPO.

Messrs Deloitte KassimChan has given the confirmation that there is no existing or potential conflict of interest in their capacity as Auditor and Reporting Accountant in respect of the IPO.

Messrs Iza Ng Yeoh & Kit Advocates & Solicitors has given the confirmation that there is no existing or potential conflict of interest in their capacity as solicitors in respect of the IPO.

D&B Malaysia has given the confirmation that there is no existing or potential conflict of interest in its capacity as Independent Market Researcher in respect of the IPO.

10. OTHER INFORMATION CONCERNING THE OWB GROUP

10.1 Land and Buildings

10.1.1 Landed Properties Owned by Our Group

The summary of the information on landed properties owned by our Group as at 22 February 2007 (being the latest practicable date prior to printing of this Prospectus) are set out below:

Registered Owners	Title/Location/ Postal Address	Description/ Existing Use	Land area/ Built up area	Tenure (years)	Age of buildings/ Date of Issuance of Certificate of Fitness	Audited net book value as at 30.9.2006 RM'000	Restrictions in interest	Encumbrances
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	Approximately 3 years/ 7.12.2004	4,465	Nil	Nil
Healthy World	HSD 89961, No. PT 100570, Mukim and District of Klang, Selangor/ Lot No. 100, Bukit Rimau, Phase 1A being a postal address of No. 27, Jalan Sungai Rincing 32/63, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan	Vacant land	6,975 sq ft	Freehold	Not Applicable	377	Nil	Nil

None of the existing use of the land in the above properties breaches the land-use conditions or permissible land use. None of the properties above was acquired within two (2) years preceding 22 February 2007.

10. OTHER INFORMATION CONCERNING THE OWB GROUP *(Cont'd)*

10.1.2 Properties Rented by Our Group

As at 22 February 2007, there are a total of 105 rented properties used by our Group as retail outlets in Malaysia, Singapore, China and Hong Kong. There is no single retail outlet that contributes materially to our Group's operations.

To the best of our Directors' knowledge and belief, there are no material non-compliance with current statutory requirements, land rules or building regulations by our Group.

10.2 Plant and Equipment

As at 22 February 2007 (being the latest practicable date prior to the printing of this Prospectus), our Group does not have any material plant and equipment.