

**OGAWA WORLD BERHAD (712499 - V)**
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED  
DECEMBER 31, 2012**

(The figures have not been audited)

|                                                                               | <u>Notes</u> | Individual Quarter                              |                                                                    | Cumulative Quarter                              |                                                                   |
|-------------------------------------------------------------------------------|--------------|-------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------|
|                                                                               |              | Current Year<br>Quarter<br>31.12.2012<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>31.12.2011<br>RM'000 | Current Year<br>To Date<br>31.12.2012<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>31.12.2011<br>RM'000 |
| <b>Continuing operations</b>                                                  |              |                                                 |                                                                    |                                                 |                                                                   |
| Revenue                                                                       |              | 45,827                                          | 38,805                                                             | 90,313                                          | 75,613                                                            |
| Changes in inventories of trading merchandise                                 |              | 792                                             | 1,574                                                              | (2,762)                                         | 439                                                               |
| Trading merchandise purchased                                                 |              | (18,411)                                        | (16,206)                                                           | (32,737)                                        | (28,329)                                                          |
| Other operating income                                                        | B5           | 13                                              | 789                                                                | 85                                              | 1,258                                                             |
| Other operating expenses                                                      | B5           | (26,523)                                        | (25,459)                                                           | (51,199)                                        | (48,775)                                                          |
| Profit/(loss) from operations                                                 |              | <u>1,698</u>                                    | <u>(497)</u>                                                       | <u>3,700</u>                                    | <u>206</u>                                                        |
| Finance costs                                                                 |              | (1)                                             | (2)                                                                | (2)                                             | (21)                                                              |
| Interest income                                                               |              | 142                                             | 159                                                                | 291                                             | 320                                                               |
| Profit/(loss) before tax                                                      |              | <u>1,839</u>                                    | <u>(340)</u>                                                       | <u>3,989</u>                                    | <u>505</u>                                                        |
| Taxation                                                                      | B6           | (696)                                           | (40)                                                               | (1,186)                                         | (346)                                                             |
| <b>Profit/(loss) for the period<br/>from continuing operations</b>            |              | <u>1,143</u>                                    | <u>(380)</u>                                                       | <u>2,803</u>                                    | <u>159</u>                                                        |
| <b>Discontinued operations</b>                                                |              |                                                 |                                                                    |                                                 |                                                                   |
| <b>Loss for the period<br/>from discontinued operations</b>                   | B7           | (615)                                           | (3,365)                                                            | (914)                                           | (4,571)                                                           |
| <b>Profit/(loss) for the period</b>                                           |              | <u>528</u>                                      | <u>(3,745)</u>                                                     | <u>1,889</u>                                    | <u>(4,412)</u>                                                    |
| Profit/(Loss) attributable to :-                                              |              |                                                 |                                                                    |                                                 |                                                                   |
| Equity holders of the Company                                                 |              | 528                                             | (3,745)                                                            | 1,889                                           | (4,412)                                                           |
| Non-controlling interests                                                     |              | -                                               | -                                                                  | -                                               | -                                                                 |
|                                                                               |              | <u>528</u>                                      | <u>(3,745)</u>                                                     | <u>1,889</u>                                    | <u>(4,412)</u>                                                    |
| Earnings/(loss) per share attributable to equity holders of the Company (sen) | B12          |                                                 |                                                                    |                                                 |                                                                   |
| - Basic                                                                       |              | <u>0.44</u>                                     | <u>-3.12</u>                                                       | <u>1.57</u>                                     | <u>-3.68</u>                                                      |
| - Diluted                                                                     |              | <u>n/a</u>                                      | <u>n/a</u>                                                         | <u>n/a</u>                                      | <u>n/a</u>                                                        |
| <b>Profit/(loss) for the period</b>                                           |              | 528                                             | (3,745)                                                            | 1,889                                           | (4,412)                                                           |
| Other comprehensive income/(loss), net of tax                                 |              |                                                 |                                                                    |                                                 |                                                                   |
| Foreign currency translation differences                                      |              | 362                                             | (142)                                                              | (413)                                           | 870                                                               |
| <b>Total comprehensive income/(loss) for the period</b>                       |              | <u>890</u>                                      | <u>(3,887)</u>                                                     | <u>1,476</u>                                    | <u>(3,542)</u>                                                    |
| Total comprehensive income/(loss) attributable to:                            |              |                                                 |                                                                    |                                                 |                                                                   |
| Equity holders of the Company                                                 |              | 889                                             | (3,887)                                                            | 1,475                                           | (3,542)                                                           |
| Non-controlling interests                                                     |              | <u>1</u>                                        | <u>-</u>                                                           | <u>1</u>                                        | <u>-</u>                                                          |
|                                                                               |              | <u>890</u>                                      | <u>(3,887)</u>                                                     | <u>1,476</u>                                    | <u>(3,542)</u>                                                    |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes

**OGAWA WORLD BERHAD (712499 - V)**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2012**  
 (The figures have not been audited)

|                                                                                        |              | As At<br>31.12.2012 | As At<br>01.07.2012<br>(Restated) | As At<br>30.6.2012 |
|----------------------------------------------------------------------------------------|--------------|---------------------|-----------------------------------|--------------------|
|                                                                                        | <u>Notes</u> | RM '000             | RM '000                           | RM '000            |
| <b>ASSETS</b>                                                                          |              |                     |                                   |                    |
| <b>Non-Current Assets</b>                                                              |              |                     |                                   |                    |
| Property, plant and equipment                                                          |              | 20,867              | 21,343                            | 14,159             |
| Prepaid lease payments                                                                 |              | 5,638               | 5,668                             | 5,668              |
| Investment in Joint Venture                                                            |              | 4,856               | -                                 | -                  |
| Goodwill on consolidation                                                              |              | 10                  | 10                                | 10                 |
| Deferred tax assets                                                                    |              | 353                 | 359                               | 359                |
|                                                                                        |              | <u>31,724</u>       | <u>27,380</u>                     | <u>20,196</u>      |
| <b>Current Assets</b>                                                                  |              |                     |                                   |                    |
| Inventories                                                                            |              | 14,755              | 17,954                            | 17,954             |
| Trade receivables                                                                      |              | 9,032               | 7,186                             | 7,186              |
| Other receivables and prepaid expenses                                                 |              | 9,406               | 11,019                            | 11,019             |
| Short-term deposits with licensed bank                                                 |              | 19,091              | 19,991                            | 19,991             |
| Cash and bank balances                                                                 |              | 24,720              | 25,748                            | 25,748             |
| Tax recoverable                                                                        |              | 2,692               | 1,705                             | 1,705              |
|                                                                                        |              | <u>79,696</u>       | <u>83,603</u>                     | <u>83,603</u>      |
| Assets classified as held for sale                                                     | B8           | 3,975               | 1,938                             | 1,938              |
|                                                                                        |              | <u>83,671</u>       | <u>85,541</u>                     | <u>85,541</u>      |
| <b>TOTAL ASSETS</b>                                                                    |              | <u>115,395</u>      | <u>112,921</u>                    | <u>105,737</u>     |
| <b>EQUITY AND LIABILITIES</b>                                                          |              |                     |                                   |                    |
| <b>Capital and Reserves</b>                                                            |              |                     |                                   |                    |
| Issued capital                                                                         |              | 60,000              | 60,000                            | 60,000             |
| Reserves                                                                               |              | 12,764              | 11,153                            | 3,969              |
| Equity attributable to equity holders of the Company                                   |              | <u>72,764</u>       | <u>71,153</u>                     | <u>63,969</u>      |
| Non-controlling interest                                                               |              | 89                  | -                                 | -                  |
| <b>TOTAL EQUITY</b>                                                                    |              | <u>72,853</u>       | <u>71,153</u>                     | <u>63,969</u>      |
| <b>Non-Current Liabilities</b>                                                         |              |                     |                                   |                    |
| Hire-purchase payables                                                                 | B9           | -                   | -                                 | -                  |
|                                                                                        |              | <u>-</u>            | <u>-</u>                          | <u>-</u>           |
| <b>Current Liabilities</b>                                                             |              |                     |                                   |                    |
| Trade payables                                                                         |              | 12,026              | 15,611                            | 15,611             |
| Other payables and accrued expenses                                                    |              | 30,147              | 26,069                            | 26,069             |
| Other financial liability                                                              |              | 4                   | 26                                | 26                 |
| Hire-purchase payables                                                                 | B9           | 25                  | 62                                | 62                 |
| Tax liabilities                                                                        |              | -                   | -                                 | -                  |
|                                                                                        |              | <u>42,202</u>       | <u>41,768</u>                     | <u>41,768</u>      |
| Liabilities classified as held for sale                                                | B8           | 340                 | -                                 | -                  |
|                                                                                        |              | <u>42,542</u>       | <u>41,768</u>                     | <u>41,768</u>      |
| <b>TOTAL LIABILITIES</b>                                                               |              | <u>42,542</u>       | <u>41,768</u>                     | <u>41,768</u>      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                    |              | <u>115,395</u>      | <u>112,921</u>                    | <u>105,737</u>     |
| <b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b> |              | <u>0.61</u>         | <u>0.59</u>                       | <u>0.53</u>        |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**OGAWA WORLD BERHAD (712499 - V)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED  
DECEMBER 31, 2012**

(The figures have not been audited)

|                                                                                               | Issued<br>Capital<br>RM'000 | Treasury<br>Shares<br>RM'000 | Reverse<br>Acquisition<br>Reserve<br>RM'000 | Translation<br>Reserve<br>RM'000 | Share<br>Premium<br>RM'000 | ESOS<br>Reserve<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Attributable<br>to owners<br>of the parent<br>RM'000 | Non-<br>controlling<br>Interests<br>RM'000 | Total<br>TM'000 |
|-----------------------------------------------------------------------------------------------|-----------------------------|------------------------------|---------------------------------------------|----------------------------------|----------------------------|---------------------------|----------------------------------|--------------------------------|------------------------------------------------------|--------------------------------------------|-----------------|
| <b>At June 30, 2012 (as previously stated)</b>                                                | 60,000                      | -                            | (27,204)                                    | 352                              | 7,250                      | 841                       | -                                | 22,730                         | 63,969                                               | -                                          | 63,969          |
| Revaluation of properties at July 1, 2012                                                     |                             |                              |                                             |                                  |                            |                           | 7,184                            |                                | 7,184                                                |                                            | 7,184           |
| Effect of transition to MFRS                                                                  |                             |                              |                                             |                                  |                            |                           | (7,184)                          | 7,184                          | -                                                    |                                            | -               |
| <b>At July 1, 2012 (restated)</b>                                                             | <b>60,000</b>               | <b>-</b>                     | <b>(27,204)</b>                             | <b>352</b>                       | <b>7,250</b>               | <b>841</b>                | <b>-</b>                         | <b>29,914</b>                  | <b>71,153</b>                                        | <b>-</b>                                   | <b>71,153</b>   |
| Other comprehensive income/(loss)                                                             | -                           | -                            | -                                           | (414)                            | -                          | -                         | -                                | -                              | (414)                                                | 1                                          | (413)           |
| Additional non-controlling interests arising on disposal of interest in Ogawa Vietnam Sdn Bhd |                             |                              |                                             |                                  |                            |                           |                                  |                                |                                                      | 88                                         | 88              |
| Share options expense                                                                         | -                           | -                            | -                                           | -                                | -                          | 140                       | -                                | -                              | 140                                                  | -                                          | 140             |
| Buy-back of ordinary shares                                                                   | -                           | (4)                          | -                                           | -                                | -                          | -                         | -                                | -                              | (4)                                                  | -                                          | (4)             |
| Profit for the period                                                                         | -                           | -                            | -                                           | -                                | -                          | -                         | -                                | 1,889                          | 1,889                                                | -                                          | 1,889           |
| <b>Total comprehensive income / (loss) for the period</b>                                     | <b>-</b>                    | <b>(4)</b>                   | <b>-</b>                                    | <b>(414)</b>                     | <b>-</b>                   | <b>140</b>                | <b>-</b>                         | <b>1,889</b>                   | <b>1,611</b>                                         | <b>89</b>                                  | <b>1,700</b>    |
| Dividend paid (Note A7)                                                                       | -                           | -                            | -                                           | -                                | -                          | -                         | -                                | -                              | -                                                    | -                                          | -               |
| <b>At December 31, 2012</b>                                                                   | <b>60,000</b>               | <b>(4)</b>                   | <b>(27,204)</b>                             | <b>(62)</b>                      | <b>7,250</b>               | <b>981</b>                | <b>-</b>                         | <b>31,803</b>                  | <b>72,764</b>                                        | <b>89</b>                                  | <b>72,853</b>   |
| <b>At June 30, 2011</b>                                                                       | <b>60,000</b>               | <b>60,000</b>                | <b>(27,204)</b>                             | <b>(699)</b>                     | <b>7,250</b>               | <b>536</b>                | <b>-</b>                         | <b>27,612</b>                  | <b>127,495</b>                                       | <b>-</b>                                   | <b>127,495</b>  |
| Other comprehensive income                                                                    | -                           | -                            | -                                           | 1,051                            | -                          | -                         | -                                | -                              | 1,051                                                | -                                          | 1,051           |
| Share options expense                                                                         | -                           | -                            | -                                           | -                                | -                          | 305                       | -                                | -                              | 305                                                  | -                                          | 305             |
| Loss for the period                                                                           | -                           | -                            | -                                           | -                                | -                          | -                         | -                                | (1,282)                        | (1,282)                                              | -                                          | (1,282)         |
| <b>Total comprehensive income / (loss) for the period</b>                                     | <b>-</b>                    | <b>-</b>                     | <b>-</b>                                    | <b>1,051</b>                     | <b>-</b>                   | <b>305</b>                | <b>-</b>                         | <b>(1,282)</b>                 | <b>74</b>                                            | <b>-</b>                                   | <b>74</b>       |
| Dividend paid                                                                                 | -                           | -                            | -                                           | -                                | -                          | -                         | -                                | (3,600)                        | (3,600)                                              | -                                          | (3,600)         |
| <b>At June 30, 2012</b>                                                                       | <b>60,000</b>               | <b>60,000</b>                | <b>(27,204)</b>                             | <b>352</b>                       | <b>7,250</b>               | <b>841</b>                | <b>-</b>                         | <b>22,730</b>                  | <b>123,969</b>                                       | <b>-</b>                                   | <b>123,969</b>  |

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**OGAWA WORLD BERHAD (712499 - V)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED  
DECEMBER 31, 2012**

(The figures have not been audited)

|                                                                    | <b>Current Year<br/>To Date<br/>31.12.2012<br/>RM '000</b> | <b>Preceding Year<br/>To Date<br/>30.06.2012<br/>RM '000</b> |
|--------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                        |                                                            |                                                              |
| Profit/(loss) for the period                                       | 3,075                                                      | (1,282)                                                      |
| Adjustments for:                                                   |                                                            |                                                              |
| Depreciation of property, plant and equipment                      | 2,370                                                      | 4,956                                                        |
| Property, plant & equipment written off                            | 199                                                        | 329                                                          |
| Amortisation of prepaid lease payments                             | 30                                                         | 20                                                           |
| Impairment loss on property, plant & equipment                     | -                                                          | 296                                                          |
| Finance costs                                                      | 2                                                          | 37                                                           |
| Interest income                                                    | (293)                                                      | (563)                                                        |
| Income tax expense recognised in statement of comprehensive income | -                                                          | 2,783                                                        |
| Allowance for doubtful debts                                       | -                                                          | 992                                                          |
| Allowance for doubtful debts no longer required                    | (11)                                                       | -                                                            |
| Impairment loss on obsolete inventories                            | -                                                          | 2,808                                                        |
| Reversal of impairment loss on obsolete inventories                | (423)                                                      | -                                                            |
| Provision for unutilised leave                                     | 21                                                         | 256                                                          |
| Bad debts written off                                              | -                                                          | 83                                                           |
| Inventories written off                                            | 421                                                        | 93                                                           |
| Gain on disposals of property, plant and equipment                 | (62)                                                       | (269)                                                        |
| Fair value loss on derivatives instrument                          | (22)                                                       | 26                                                           |
| Unrealised loss/(gain) on foreign exchange                         | 544                                                        | (375)                                                        |
| Gain on partial disposal of interest in a subsidiary               | (36)                                                       | -                                                            |
| Share options expense                                              | 140                                                        | 305                                                          |
| Operating profit before working capital changes                    | 5,955                                                      | 10,495                                                       |
| (Increase)/Decrease in:                                            |                                                            |                                                              |
| Inventories                                                        | 1,832                                                      | (3,593)                                                      |
| Trade receivables                                                  | (2,403)                                                    | (1,505)                                                      |
| Other receivables and prepaid expenses                             | 535                                                        | (285)                                                        |
| Increase/(Decrease) in:                                            |                                                            |                                                              |
| Trade payables                                                     | (2,707)                                                    | 6,338                                                        |
| Other payables and accrued expenses                                | 4,960                                                      | 2,459                                                        |
| Amount owing to directors                                          | -                                                          | -                                                            |
| Cash generated from operations                                     | 8,172                                                      | 13,909                                                       |
| Income tax paid                                                    | (2,173)                                                    | (2,654)                                                      |
| Net cash generated from operating activities                       | 5,999                                                      | 11,255                                                       |
| <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>                     |                                                            |                                                              |
| Acquisition of property, plant and equipment                       | (2,085)                                                    | (5,521)                                                      |
| Purchase of leasehold land                                         | -                                                          | (5,688)                                                      |
| Acquisition of Joint Venture                                       | (4,856)                                                    | -                                                            |
| Cash inflow from partial disposal of interest in a subsidiary      | 125                                                        | -                                                            |
| (Increase)/decrease in fixed deposits with licensed bank           | (1,776)                                                    | 1,716                                                        |
| Proceeds from disposals of property, plant and equipment           | 62                                                         | 490                                                          |
| Interest received                                                  | 293                                                        | 563                                                          |
| Net cash used in investing activities                              | (8,237)                                                    | (8,440)                                                      |
| <b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>                     |                                                            |                                                              |
| Finance costs paid                                                 | (2)                                                        | (37)                                                         |
| Repayment of hire-purchase payables                                | (37)                                                       | (417)                                                        |
| Dividend paid                                                      | -                                                          | (3,600)                                                      |
| Payment for buy-back of shares                                     | (4)                                                        | (3,600)                                                      |
| Net cash used in financing activities                              | (43)                                                       | (7,654)                                                      |
| NET DECREASE IN CASH AND CASH EQUIVALENTS                          | (2,281)                                                    | (4,839)                                                      |
| Effect of Exchange Rate Changes On Cash & Cash Equivalents         | (845)                                                      | 361                                                          |
| CASH AND CASH EQUIVALENTS<br>AT BEGINNING OF THE FINANCIAL PERIOD  | 43,795                                                     | 44,673                                                       |
| CASH AND CASH EQUIVALENTS<br>AT END OF FINANCIAL PERIOD            | 40,669                                                     | 40,195                                                       |

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.