
10. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

10.1 Promoters and Substantial Shareholders**10.1.1 Profiles of Promoters and Substantial Shareholders**

The profiles of the Promoters and substantial shareholders of Online One, including their knowledge and experience in the IT industry, are as follows:-

Leong Yok Kin, aged 36, is Online One's Managing Director and Chief Technology Officer. He was appointed to the Board of Online One on 10 January 2005. He is responsible for the Group's overall business direction and strategies. Having fifteen (15) years of experience in the IT sector, he has a professional qualification from the British Computer Society in 1994 and has strong programming skills. He had four (4) years experience as an analyst programmer and system analyst in developing library, financial and distribution related systems before joining Patimas Computers Berhad ("Patimas") as a Consulting Manager from 1994 to 1998.

He started his own part-time application software business as a sole proprietor under the name of Seasoft Technology in 1994. In 1998, he teamed up with Chew Fatt Seet to corporatise Seasoft Technology's business under OSB and later OSMSC assumed the operations of OSB after it obtained MSC status. His focus was on enterprise resource planning and supply chain management solutions for the manufacturing sector. He started his career as a computer tutor for Systematic Computer Centre, and later moved on to become an Analyst Programmer for Business Computers (H) Sdn Bhd.

Voon Seng Keong, aged 42, is the Chief Executive Officer of Online One, and is responsible for the business direction and strategies of the Group. He was appointed to the Board of Online One on 10 January 2005. He started his career in 1986 as an Account Manager with Solsis Sdn Bhd. In 1988, he moved to Sunway Computer Services Sdn Bhd as an Account Manager, and later became Sales Manager. In June 1992, he founded ISC Technology Sdn Bhd ("ISC") with a few partners and was the General Manager from 1993 to 1994. At that time, ISC was one of the major ERP players in the country. In 1995, ISC became a subsidiary of Patimas, which was subsequently listed on the second board of Securities Exchange in 1997. In 1994, he set up PSM Technology Sdn Bhd, a company handling software enabling technology. In 1997, he was given the added responsibility of managing GMH Services (MSC) Sdn Bhd, a reseller of Oracle products as well as the Oracle training centre for the Northern region. In 2001, he was promoted to Senior Vice President at Patimas and was responsible for group sales. He was with Patimas from 1992 to 2003 before joining EMCD. He graduated with Bachelor of Social Science (Honours) from Universiti Sains Malaysia in 1986.

10. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Kua Liang Ming, aged 35, is the Co-Chief Operating Officer of Online One, overseeing the Information Storage Management business of the Group. He was appointed to the Board of Online One on 10 January 2005. He obtained a Bachelor of Science (Honours) in Computing Science from the Staffordshire University in the United Kingdom in 1993 and has more than ten (10) years of experience in management, sales and marketing, and information technology. Before joining EMCD in 2003, he was with Patimas. His positions while at Patimas include Sales Manager and Senior Manager of PSM Technology Sdn Bhd, Senior Manager of GMH Services (MSC) Sdn Bhd and General Manager of Automatic Identification Technology Sdn Bhd. Amongst his achievements while with Patimas group from 1995 to 2003 are the pioneering of the Cognos Business Intelligence Suite distribution, and the establishment of Cognos in the Malaysian market. He also won many large projects for the Group and played an important part in the Group's growth.

Chew Fatt Seet, aged 47, is the Co-Chief Operating Officer of Online One. He is responsible for overseeing the day-to-day operations of the Online One Group's EES arm. He was appointed to the Board of Online One on 10 January 2005. He has twenty-one (21) years of extensive experience in the IT and finance industries. His career spans several roles, starting as a Costing Officer in the Soon Seng group of companies, and then moving on to become Finance Manager of Sungei Way Leasing Sdn Bhd and Consultant for ERP systems at Sunway Computer Services Sdn Bhd. Prior to joining OSB in 1997, he was engaged with ISC, a subsidiary company of Patimas, from 1994 to 1997 as Consulting Manager for ERP systems. He obtained a Diploma in Commerce majoring in Cost and Management Accounting from Kolej Tunku Abdul Rahman in 1982.

LVCK was incorporated in Malaysia under the Act as a private limited company on 26 February 2004. LVCK's current authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 1,000 shares have been issued and fully paid-up. LVCK is principally an investment holding company. The directors of LVCK are Leong Yok Kin and Voon Seng Keong.

The shareholders of LVCK and their respective shareholdings therein as at the date of this Prospectus are set out below:-

Name	Direct		Indirect	
	No. of shares held	%	No. of shares held	%
Leong Yok Kin	467	46.67	-	-
Voon Seng Keong	264	26.40	-	-
Kua Liang Ming	176	17.60	-	-
Chew Fatt Seet	93	9.33	-	-

10. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

IT Space was incorporated in Malaysia under the Act as a private limited company on 26 February 2004. IT Space's current authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 1,000 shares have been issued and fully paid-up. IT Space is principally an investment holding company. The directors of IT Space are Leong Yok Kin and Voon Seng Keong.

The shareholders of IT Space and their respective shareholdings therein as at the date of this Prospectus are set out below:-

Name	Direct		Indirect	
	No. of shares held	%	No. of shares held	%
Leong Yok Kin	467	46.67	-	-
Voon Seng Keong	264	26.40	-	-
Kua Liang Ming	176	17.60	-	-
Chew Fatt Seet	93	9.33	-	-

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10. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**10.1.2 Particulars and Shareholdings of Promoters and Substantial Shareholders**

The Promoters and substantial shareholders of Online One and their shareholdings in the Company before and after the New Issue based on their shareholdings as at the date of this Prospectus are as follows:-

Name	Nationality/ Country of Incorporation	Designation	Before New Issue			After New Issue			
			Direct		Indirect		Direct		Indirect
			No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	
LVCK**	Malaysia	-	36,298,375	42.83	-	-	36,298,375	32.12	-
IT Space**	Malaysia	-	22,602,795	26.67	-	-	22,602,795	20.00	-
Leong Yok Kin**	Malaysian	Managing Director/Chief Technology Officer	12,059,907	14.23	*58,901,170	69.50	12,059,907	10.67	*58,901,170
Voon Seng Keong**	Malaysian	Chief Executive Officer	6,822,366	8.05	*58,901,170	69.50	6,822,366	6.04	*58,901,170
Kua Liang Ming**	Malaysian	Co-Chief Operating Officer	4,551,070	5.37	*58,901,170	69.50	4,551,070	4.03	*58,901,170
Chew Fatt Seet***	Malaysian	Co-Chief Operating Officer	2,415,371	2.85	-	-	2,415,371	2.14	-

* Deemed interest by virtue of their respective shareholdings in LVCK and IT Space pursuant to Section 6A of the Act.

** Promoter and substantial shareholder.

*** Promoter.

10.1.3 Promoters' and Substantial Shareholders' Directorships in Other Public Corporations

None of the Promoters and substantial shareholders of Online One has directorships in other public corporations during the past two (2) years up to the date of this Prospectus.

10.1.4 Promoters' and Substantial Shareholders' Shareholdings in Other Public Corporations

None of the Promoters and substantial shareholders of Online One has had substantial shareholdings in other public corporations during the past two (2) years up to the date of this Prospectus.

10. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**10.1.5 Changes in Promoters and Substantial Shareholders and their Shareholdings**

The changes in the substantial shareholders/Promoters of Online One with regard to their shareholdings in the Company since 23 October 2003 (date of incorporation) are as follows:-

Name	As at 23 October 2003				After Share Split				After Acquisitions				After Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
LVCK**	-	-	-	-	-	-	-	-	6,279,237	42.83	-	-	36,298,375	42.83	-	-
IT Space**	-	-	-	-	-	-	-	-	3,910,047	26.67	-	-	22,602,795	26.67	-	-
Leong Yok Kin**	-	-	-	-	-	-	-	-	2,086,237	14.23	*10,189,284	69.50	12,059,907	14.23	*58,901,170	69.50
Voon Seng Keong**	-	-	-	-	-	-	-	-	1,180,198	8.05	*10,189,284	69.50	6,822,366	8.05	*58,901,170	69.50
Kua Liang Ming**	-	-	-	-	-	-	-	-	787,288	5.37	*10,189,284	69.50	4,551,070	5.37	*58,901,170	69.50
Chew Fatt Seet***	-	-	-	-	-	-	-	-	417,833	2.85	-	-	2,415,371	2.85	-	-

* Deemed interest by virtue of their respective shareholdings in LVCK and IT Space pursuant to Section 6A of the Act.

** Promoter and substantial shareholder.

*** Promoter.

10. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

10.2 Directors

10.2.1 Particulars and Shareholdings of Directors

The Directors of Online One and their shareholdings in the Company before and after the New Issue based on their shareholdings as at the date of this Prospectus are as follows:-

Directors	Nationality	Before New Issue				After New Issue			
		Direct		Indirect		Direct		Indirect	
		No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
Lt. Col. (R) Dato' Zarazilah Bin Mohamed Ali	Malaysian	-	-	-	-	-	-	-	-
Leong Yok Kin	Malaysian	12,059,907	14.23	*58,901,170	69.50	12,059,907	10.67	*58,901,170	52.12
Voon Seng Keong	Malaysian	6,822,366	8.05	*58,901,170	69.50	6,822,366	6.04	*58,901,170	52.12
Kua Liang Ming	Malaysian	4,551,070	5.37	*58,901,170	69.50	4,551,070	4.03	*58,901,170	52.12
Chew Fatt Seet	Malaysian	2,415,371	2.85	-	-	2,415,371	2.14	-	-
Wong Mun Wai	Malaysian	-	-	-	-	-	-	-	-

* Deemed interest by virtue of their respective shareholdings in LVCK and IT Space pursuant to Section 6A of the Act.

10.2.2 Profiles of Directors

Please refer to Section 10.1.1 for the profiles of Leong Yok Kin, Voon Seng Keong, Kua Liang Ming and Chew Fatt Seet. The profiles of Lt. Col. (R) Dato' Zarazilah Bin Mohamed Ali and Wong Mun Wai are as follows:-

- (i) **Lt. Col. (R) Dato' Zarazilah Bin Mohamed Ali**, aged 64, is the Independent Non-Executive Chairman of Online One. He was appointed to the Board of Online One on 10 January 2005. He served in various appointments with the Malaysian Armed Forces between 1960 to 1978. He was part of the Malaysian contingent that was sent to Congo in the service of the United Nations in 1961. Over the years, he advanced in the ranks, holding positions as Company Second in Command, Battalion Commander, Chief Instructor and Deputy Commandant. In 1978, he served in the Ministry of Defence as Administration Staff Officer. He is currently the Executive Chairman of New Landmarks Sdn Bhd and Pembinaan OCK (M) Sdn Bhd. Both companies are involved in property development. He is also the Executive Director of the Sutera Harbour group of companies and Sinar Indah Sdn Bhd, and a director of Premier Quest Sdn Bhd. He received his Bachelor of Military Science from the Command and Staff College, Bandung, Indonesia in 1973.

10. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

- (ii) **Wong Mun Wai**, aged 47, is an Independent Non-Executive Director of Online One. He was appointed to the Board of Online One on 10 January 2005. He has more than twenty (20) years of experience in accounting, finance, operations and management. From 1997 to 2003, he was the Chief Operating Officer and Executive Director of KPS Consortium Berhad (formerly known as Hai Ming Holdings Berhad), a company listed on the Second Board of the Securities Exchange. Prior to that, he was with Insas Berhad, a company listed on the Main Board of the Securities Exchange, as Senior Finance Manager and Company Secretary. His earlier working experience include Audit Supervisor at Hew & Tan and Audit Senior at Harun, Oh & Wong. He is a graduate of the Institute of Chartered Secretaries and Administrators in the United Kingdom, and a Fellow of the Association of Chartered Certified Accountants in the United Kingdom.

10.2.3 Directors' Directorships and Substantial Shareholdings in Other Public Corporations

Save as disclosed below, none of the directors of Online One hold other directorships and/or have substantial shareholdings in other public corporations for the past two (2) years up to the date of this Prospectus:-

Name	Public Corporation	No. of shares held	Position Held
Wong Mun Wai	KPS Consortium Berhad	-	Executive Director#

#Resigned on 1 May 2003

10.2.4 Directors' Remuneration

The aggregate remuneration (including salaries, bonuses and statutory contributions) and benefits paid and proposed to be paid to the Directors of Online One for services rendered in all capacities to the Group for the financial period ended 31 March 2004 and the current financial year ending 31 March 2005 respectively are as follows:-

Remuneration Band RM	Number of Directors	
	Financial Period Ended 31 March 2004	Financial Year Ending 31 March 2005
Up to 50,000	-	2
50,000-100,000	-	-
Above 100,000	-	4

10. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

10.3 Audit Committee

The details of the Audit Committee of Online One are as follows:-

Name	Responsibility	Directorship
Lt. Col. (R) Dato' Zarazilah Bin Mohamed Ali	Chairman	Independent Non-Executive Chairman
Chew Fatt Seet	Member	Co-Chief Operating Officer
Wong Mun Wai	Member	Independent Non-Executive Director

The main functions of the Audit Committee include the review of audit plan and audit report with the auditors, review of the scope of internal audit procedures, review of balance sheets and profit and loss accounts, review of appointment of auditors, to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the companies within the Group and undertake such other responsibilities as may be agreed to by the committee and the Board.

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10. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**10.4 Key Management and Key Technical Personnel****10.4.1 Particulars and Shareholdings of Key Management and Key Technical Personnel**

The key management and key technical personnel of the Group and their shareholdings in the Company before and after the New Issue as at the date of this Prospectus are as follows:-

Name	Nationality	Designation	Before New Issue		After New Issue	
			Direct No. of Shares held	Indirect No. of Shares held	Direct No. of Shares held	Indirect No. of Shares held
Leong Yok Kin	Malaysian	Managing Director/ Chief Technology Officer	12,059,907	*58,901,170	12,059,909	*58,901,170
Voon Seng Keong	Malaysian	Chief Executive Officer	6,822,366	*58,901,170	6,822,366	*58,901,170
Kua Liang Ming	Malaysian	Co-Chief Operating Officer	4,551,070	*58,901,170	4,551,070	*58,901,170
Chew Fatt Seet	Malaysian	Co-Chief Operating Officer	2,415,371	-	2,415,371	-
Andrew Lee Kim Leong	Malaysian	Senior Technical Manager	-	-	53,000 [^]	-
Ong Lian Wah	Malaysian	Finance Manager	-	-	-	-
Leong Sook Theng	Malaysian	Product Manager	-	-	-	-
Chan Yee Ling	Malaysian	Sales Director	-	-	53,000 [^]	0.05
Sin Yan Kit	Malaysian	Channel Manager	-	-	53,000 [^]	0.05
Sing Chee Yeong	Malaysian	Technical Manager	-	-	106,000 [^]	0.09
Ong Eng Hoe	Malaysian	Technical Manager	-	-	159,000 [^]	0.14

* Deemed interest by virtue of their respective shareholdings in LVCK and IT Space pursuant to Section 6A of the Act.

[^] Assuming full subscription of their respective allocations of pink form shares pursuant to the New Issue.

10. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

10.4.2 Profiles of Key Management and Key Technical Personnel

Other than the profiles of Leong Yok Kin, Voon Seng Keong, Kua Liang Ming and Chew Fatt Seet which are set out in Section 10.1.1, the profiles of the key management and key technical personnel of the Group are as follows:-

- (i) **Andrew Lee Kim Leong**, aged 39, is the Senior Technical Manager of EMCD. He joined EMCD in 2003 and is responsible for managing a team of engineers, project planning and implementation and exploring new frontiers in network engineering. He has fifteen (15) years of experience in the IT industry. Prior to joining the Group, he was with EMC from 1995 to 2002, moving up the ranks from Senior Customer Service Engineer for South Asia to Area Service Manager for South Asia, and finally Director of New Product and Services Implementation for Asia Pacific and Japan. Being one of the pioneers to start up operations in South Asia, he managed all major EMC products and services rollouts for the region. His achievements included the successful implementation of the new end-to-end sales process for EMC Asia Pacific, and the successful deployment of regional data centres in all EMC offices across Asia Pacific. He has also won numerous excellence awards from EMC for his outstanding contributions. From 1989 to 1995, he was with Far East Computers (M) Sdn Bhd, a subsidiary of HCL Infosystem Limited, a distributor of StorageTek's tape subsystems and automated library products. He received his Diploma in Electronic Engineering from the Federal Institute of Technology in Malaysia in 1989.
- (ii) **Ong Lian Wah**, aged 36, is the Finance Manager of OSMSC. She joined OSMSC in 2003 and is responsible for overseeing the financial matters of the Group. She started her career in 1990 with AME Auto Parts (M) Sdn Bhd, a car parts wholesaler, and stayed there until 2003. She was the Accounts Supervisor and Shipping Executive, in charge of managing the firm's financial matters and accounts. She received her Diploma in Accounting and Computing from Systematic College in 1988.
- (iii) **Leong Sook Theng**, aged 32, is the Product Manager of the OSMSC, and is responsible for product development and project management. She heads a team of application consultants, application specialists and application support executives, and was with OSB since 1999 before joining OSMSC in 2003. She has five (5) years of working experience in the IT industry. Prior to joining OSB in 1999, she was an Accounts Executive with OCBC Securities (Melaka) Sdn Bhd (now known as OSK Securities Berhad) from 1986 to 1998. She holds a Bachelor of Business Administration in Finance from Wichita State University in the USA, which she obtained in 1995.

10. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

- (iv) **Chan Yee Ling**, aged 31, is the Sales Director of EMCD and is currently responsible for marketing and sales of the EMC range of products. She heads a team of sale personnel and works closely with all business partners and customers of the Group. She has more than ten (10) years of working experience in the IT industry. Prior to joining EMCD, she was the Sales Director of Falconstor Software Inc, a leading provider of Network Storage Infrastructure software, from 2003 to 2004. Her previous working experience includes Senior Account Manager at Formis Computer Services Sdn Bhd from 1999 to 2001 and Hitachi Data Systems Sdn Bhd as a Sales Manager from 2001 to 2003. She started her career with GHL Technologies Sdn Bhd as Account Manager in 1995, and stayed there until 1999. She holds a Bachelor of Science in Computing from Staffordshire University, United Kingdom, which she obtained in 2004.
- (v) **Sin Yan Kit**, aged 31, is the Channel Manager of ODM and heads a team of account managers in building relationships with the Online One Group's business partners and customers. He is also responsible for formulating the Group's channel strategy for the marketing of the Group's products and services. He holds a Bachelor of Science (Honours) in Computer Science from the University of North London, United Kingdom in 1995 and a Master of Science in Analysis, Design and Management Information Systems from the London School of Economics and Political Science, University of London, United Kingdom in 1996. Prior to joining ODM, he was a Product Specialist/Trainer at Patimas from 2000 to 2003. A full-fledged Cognos Business Intelligence products trainer, he was also involved in development and project implementation. His projects included those for government organisations as well as corporate big names such as Shell and Kimberly-Clarke. From 1997 to 2000, he was with Eltrax Sdn Bhd as a Systems Consultant, setting up, amongst others, IT infrastructure for The Palace of the Golden Horses and The Mines Beach Resort, Kuala Lumpur. He started his career as a Programmer with IFCA Software House (M) Sdn Bhd in 1992 before joining Orisoft Software House (M) Sdn Bhd from 1993 to 1994.
- (vi) **Sing Chee Yeong**, aged 31, is the Technical Manager – Software Development of OSMSC, leading a team of software developers since 2001. He has four (4) years of working experience in the IT industry. He was previously engaged with ISC Technology Sdn Bhd from 2000 to 2001 before joining OSB from 2001 to 2003. He has a Bachelor of Science in Physics from Universiti Malaya, and a Master of Science in Information Technology from Universiti Putra Malaysia, which he obtained in 1998 and 2000 respectively.

10. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

- (vii) **Ong Eng Hoe**, aged 28, is the Technical Manager – Quality Control of OSMSC. He joined OSB in 1999 before moving to OSMSC in 2003 and is responsible for product development testing and quality control of new and existing products of the Group. He has seven (7) years of working experience in the IT industry. He was previously engaged with Business System Development Sdn Bhd as System Support from 1997 to 1998. He holds a Diploma in Computer Studies from Informatics College which he obtained in 1996.

10.5 Management and Service Agreements

As at the date of this Prospectus, there are no existing or proposed service agreements between the Group and its Directors, key management or key technical personnel.

10.6 Relationships and Associations

Save as disclosed below, none of the substantial shareholders, Promoters, Directors, key management or key technical personnel of Online One is related to one another within the context of Section 122A of the Act:-

- (i) Ong Lian Wah (Finance Manager) is the wife of Leong Yok Kin (Managing Director); and
- (ii) Leong Sook Theng (Product Manager) is the sister of Leong Yok Kin (Managing Director).

10.7 Involvement of Executive Directors, Key Management or Key Technical Personnel in Other Businesses and Corporations

None of the Executive Directors, key management or key technical personnel is involved in other businesses and corporations.

10.8 Bankruptcy, Insolvency and/or Criminal Proceedings

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

- (i) A petition under bankruptcy or insolvency in laws filed (and not struck out) against such person or any partnership which he was a partner or any corporation of which he was a director or key personnel;
- (ii) Charge and/or conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) The subject of any order, judgement or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

11. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST**11.1 Existing and Proposed Related-Party Transactions and Conflicts of Interest**

Save as disclosed below, there are no existing and proposed related party transactions and conflicts of interest, entered or to be entered into by Online One or its subsidiaries as at the date hereof, which involve the interest, directly or indirectly, of the Directors, substantial shareholders and/or persons connected to them (as defined under Section 122A of the Act), key management or key technical personnel:-

Company in the Group Involved	Transacting Party	Interested Related Party	Nature of Transaction	Financial Period	Amount RM
EMCD	Cutting Edge Technology Sdn Bhd	*	Sales of storage solutions and server and maintenance of data warehouse	2004#	255,000
ODM	Cutting Edge Technology Sdn Bhd	*	Sales of storage solutions and server and maintenance of data warehouse	2005**	747,750
EMCD	Cutting Edge Technology Sdn Bhd	*	Purchase of hardware	2005**	6,590
ODM	Cutting Edge Technology Sdn Bhd	*	Purchases of hardware and maintenance	2005**	726,001

* *Yap Lai Lai is the wife of Kua Ming Keong and Wong Nyen Oi is the wife of Kua Ming Fatt. Both Kua Ming Keong and Kua Ming Fatt are the brothers of Kua Liang Ming, who is the director, promoter and substantial shareholder of Online One. Yap Lai Lai and Wong Nyen Oi are shareholders and directors of Cutting Edge Technology Sdn. Bhd.*

Value of transactions for the period from 31 May 2003 (date of incorporation) up to 31 March 2004.

** *Estimated value of transactions for the period from 1 April 2004 up to 14 February 2005 (being the latest practicable date prior to the issue of this Prospectus).*

The Directors believe that the above transaction is carried out in the ordinary course of business on an arm's length basis and are of revenue in nature, which are required for the Group's day-to-day operations.

The Directors and substantial shareholders of Online One will provide an undertaking that all business transactions between the Group and related parties and/or persons connected to them, key management and key technical personnel if any, have been and shall be based on arms' length basis, on commercial terms and shall not disadvantage the Group.

11.2 Transactions that are Unusual in their Nature or Conditions

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which the Group was a party in respect of the past one (1) financial period ended 31 March 2004 and the subsequent financial period thereof immediately preceding the date of this Prospectus.

11. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

11.3 Outstanding Loans Made by Corporation or any of its Subsidiaries to/for the Benefit of Related Parties

There are no outstanding loans (including guarantees of any kind) made by the Group to or for the benefit of any related party(ies) in respect of the past one (1) financial period ended 31 March 2004 and the subsequent financial period thereof immediately preceding the date of this Prospectus.

11.4 Declaration on Conflict of Interest by Advisers

Alliance confirms that there is no existing or potential conflict of interest in its capacity as the Advisor, Underwriter, Placement Agent and Sponsor.

Messrs Deloitte & Touche confirms that there is no existing or potential conflict of interest in its capacity as the Auditor and Reporting Accountants for the New Issue.

Messrs Teh & Lee confirms that there is no existing or potential conflict of interest in its capacity as the Solicitors for the New Issue.

11.5 Interest in Similar Businesses

None of the Directors and substantial shareholders are interested, directly or indirectly, in any other business or corporations carrying on a similar trade as the Company and its subsidiary companies.

11.6 Promotion of Material Assets

Save as disclosed below, none of the Directors or substantial shareholders have any interest, direct or indirect, in the promotion of or in any assets which have been, within two (2) years preceding the date of this Prospectus, acquired or disposed of by or leased to the Company or any of its subsidiaries or are proposed to be acquired or disposed of by or leased to the Company or its subsidiaries:-

- (i) A Sale and Purchase Agreement dated 2 June 2003 entered between OSMSC and OSB, a company which Leong Yok Kin, a Director and substantial shareholder of Online One and Chew Fatt Seet, a Director and shareholder of Online One, used to have substantial interests, for the sale of furniture and fittings, office and computer equipments from OSB to OSMSC for a cash consideration of RM154,255.

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12. FINANCIAL INFORMATION (Cont'd)

12.1 Proforma Consolidated Income Statements

The following is a summary of the proforma consolidated income statements of the Online One Group for the financial period ended 31 March 2004 and the subsequent six (6)-month financial period ended 30 September 2004 which have been prepared based on the audited financial statements of Online One and its subsidiaries for the relevant financial periods and are provided for illustrative purposes, on the assumption that the current structure of the Group had been in existence throughout the financial periods under review and after making such adjustments considered necessary and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report in Section 13 of this Prospectus:-

	Financial Period ended 31 March 2004 RM'000	Six (6)-month Financial Period ended 30 September 2004 RM'000
Revenue	10,341	11,421
EBITDA before R&D	1,763	1,733
R&D expenses	(389)	-
EBITDA	1,374	1,733
Depreciation and amortisation	(44)	(38)
Interest expense	(7)	(1)
PBT	1,323	1,694
Taxation	(77)	(102)
PAT	1,246	1,592
No. of ordinary shares in issue*	14,660,840	14,660,840
Net EPS (sen)*	8.50	10.86
Effective tax rate	5.82	6.02

Notes:-

- * Based on the enlarged share capital after the Share Split and the Acquisitions but before the Rights Issue and the New Issue.
- 1. No dividend was declared or paid in the financial period under review.
- 2. There were no exceptional or extraordinary items during the period under review.
- 3. For illustration purposes, the proforma results of Online One Group have been arrived at based on the audited financial statements of:-
 - Online One for the period 23 October 2003 (date of incorporation) to 31 March 2004 and for the period 1 April 2004 to 30 September 2004;
 - OSMSC for the period 4 October 2002 (date of incorporation) to 31 March 2004 and for the period 1 April 2004 to 30 September 2004;
 - EMCD for the period 31 May 2003 (date of incorporation) to 31 March 2004 and for the period 1 April 2004 to 30 September 2004; and
 - ODM for the period 25 June 2003 (date of incorporation) to 31 March 2004 and for the period 1 April 2004 to 30 September 2004.
- 4. The consolidated results of the Online One Group for the financial period ended 31 March 2004 have been arrived at by incorporating the results of OSMSC, EMCD and ODM since the dates of their respective incorporation.

12. FINANCIAL INFORMATION (Cont'd)

The audited financial statements of the Company and its subsidiary companies for the financial period ended 31 March 2004 and for the six (6)-month financial period ended 30 September 2004 have not been subjected to any auditors' qualifications.

Commentary:

Review of Financial Performance for the Financial Period Ended 31 March 2004 and the Six (6)-Month Financial Period Ended 30 September 2004

For the financial period ended 31 March 2004, the revenue of the Group was mainly generated from sales of storage systems and provision of EES services. The PBT of the Group for the same period was mainly contributed by OSMSC arising from the provision of EES which earned higher profit margin compared to other products and services of the Group.

For the financial period ended 30 September 2004, the revenue of the Group surpassed that of the financial period ended 31 March 2004 as the Group managed to secure a number of new contracts for the provision of EES services. The higher revenue for the financial period ended 30 September 2004 resulted in a higher PBT as compared to the financial period ended 31 March 2004.

Effective tax rate is calculated based on income tax expense on profit before tax. The Group's effective tax rate is lower than the statutory tax rate of 28% mainly due to OSMSC being accorded MSC status on 1 April 2003 and being granted pioneer status effective from 1 April 2003, which exempts 100% of the statutory business income from taxation for a period of up to 5 years.

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12. FINANCIAL INFORMATION (Cont'd)**12.2 Segmental Analysis of Revenue and PBT**

Segmental analysis of revenue and PBT of Online One Group by subsidiary companies for the financial period ended 31 March 2004 and the six (6)-month financial period ended 30 September 2004 are as follows:-

Name of Subsidiary Company	Financial Period ended 31 March 2004#		Six (6)-month Financial Period ended 30 September 2004	
	Revenue	PBT	Revenue	PBT
	RM'000	RM'000	RM'000	RM'000
OSMSC	2,596	997	2,309	1,197
EMCD	7,359	314	6,548	346
ODM	450	12	2,864	151
Total	10,450*	1,323	11,721**	1,694

* Including inter-company transactions of RM64,000.

** Including inter-company transactions of RM300,000.

The audited financial statements for OSMSC are for the period from 4 October 2002 (date of incorporation) to 31 March 2004. The audited financial statements for EMCD are for the period from 31 May 2003 (date of incorporation) to 31 March 2004. The audited financial statements of ODM are for the period from 25 June 2003 (date of incorporation) to 31 March 2004.

12.3 Exclusion of Profit Forecast and Projections

The Board has decided not to include in this Prospectus a profit forecast due to the uncertainty of the revenue arising from the services/products of the Group. Although the Board believes that the services/products would continue to improve the performance of the Group, the actual level of impact is difficult to forecast with considerable certainty.

12.4 Impact of Foreign Currency Exchange/Interest Rates/Commodity Prices on Operating Profit

There was minimal impact of foreign currency exchange/interest rates/commodity prices on the Group's historical operating profits for the financial period ended 31 March 2004 and the six (6)-month financial period ended 30 September 2004 as the Group's transactions are mainly denominated in RM and the Group does not have any long-term interest-bearing assets and liabilities as the balance sheet dates.

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12. FINANCIAL INFORMATION (Cont'd)**12.5 Taxation**

The consideration on tax is discussed as follows:-

Subsidiary	Tax consideration
OSMSC	OSMSC has been granted pioneer status for a period of five years commencing on 1 April 2003. By virtue of this pioneer status, the Company's profits (only on income derived from MSC-related activities) are tax exempted from 1 April 2003 onwards.
EMCD	Sufficient tax provision has been made for the periods that were reviewed.
ODM	Sufficient tax provision has been made for the periods that were reviewed.

12.6 Exceptional and Extraordinary Items

There were no exceptional and extraordinary items for the past financial period ended 31 March 2004 and the six (6)-month financial period ended 30 September 2004.

12.7 Material Litigation, Material Commitments, Borrowings, Contingent Liabilities and Working Capital**(i) Material Litigation**

As at 14 February 2005, being the latest practicable date available prior to the issue of this Prospectus, the Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, claim or arbitration, which has a material effect on the financial position and business of the Group and the Directors do not know of any claims or proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

(ii) Material Commitments

As at the date of this Prospectus, there are no material commitments for capital expenditure contracted or known to be contracted by Online One or its subsidiaries.

(iii) Borrowings

There are no borrowings incurred by Online One or its subsidiaries. As there were no borrowings, there were no default on payments of either interest and/or principal sums of any borrowings throughout the past one (1) financial period ended 31 March 2004 and the subsequent financial period thereof immediately preceding the date of this Prospectus.

12. FINANCIAL INFORMATION (Cont'd)

(iv) **Contingent Liabilities**

As at 14 February 2005, being the latest practicable date available prior to the issue of this Prospectus, there are no contingent liabilities incurred by Online One and its subsidiaries.

(v) **Working Capital**

The Directors of Online One are of the opinion that, after taking into consideration the cashflow forecast and the net proceeds from the Rights Issue and New Issue, the Group will have adequate working capital for a period of twelve (12) months from the date of this Prospectus.

12.8 **Factors Affecting Financial Performance, Position and Operations of the Group**

Save as disclosed in Section 12 of this Prospectus, the Directors are of the view that the financial performance, position and operation of the Group are not affected by any of the following:-

- (i) any known trends, demands, commitments, events or uncertainties that have had or that the corporation reasonably expects to have, a material favourable or unfavourable impact on financial performance, position and operations of the Online One Group;
- (ii) any material capital expenditure commitments, the purpose of such commitments and the anticipated source of funds;
- (iii) any unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Online One Group; and the extent to which the financial performance and position and operations of the Online One Group was so affected;
- (iv) any substantial increase in revenue; and
- (v) any known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

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12. FINANCIAL INFORMATION (Cont'd)

**12.9 PROFORMA CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2004
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Prepared for inclusion in the Prospectus)**

Deloitte.

Deloitte & Touche (AF 0834)
Chartered Accountants
Level 19, Uptown 1
1 Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Malaysia

21 February, 2005

The Board of Directors
Online One Corporation Berhad
Unit 1030, 10th Floor
Lobby 6, Block A, Damansara Intan
No 1 Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan

P. O. Box 10093
50704 Kuala Lumpur
Malaysia

Tel : +60(3) 77236500, 77261833
Fax : +60(3) 77263986, 77268986
myaaa@deloitte.com
www.deloitte.com.my

Dear Sirs,

**ONLINE ONE CORPORATION BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER, 2004**

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of Online One Corporation Berhad ("Online One") and its subsidiary companies as of 30 September, 2004, together with the notes and assumptions thereto, for which the Directors are solely responsible, as set out in the accompanying statements (stamped by us for the purpose of identification). The Proforma Consolidated Balance Sheets have been prepared for illustrative purposes only, in connection with the public issue of Online One shares and the subsequent listing of and quotation for the entire enlarged issued and paid-up share capital of Online One on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (formerly known as Malaysia Securities Exchange Berhad").

In our opinion:

- (i) the abovementioned Proforma Consolidated Balance Sheets, which have been prepared for illustrative purposes only, have been properly compiled on the basis and assumptions set out in the notes and assumptions to the Proforma Consolidated Balance Sheets:
- (ii) such bases are consistent with the accounting policies normally adopted by Online One Group; and
- (iii) the adjustments as explained in Note 3 to the Proforma Consolidated Balance Sheets are appropriate for the purposes of the Proforma Consolidated Balance Sheets.

12. FINANCIAL INFORMATION (Cont'd)

Deloitte & Touche

21 February, 2005
Online One Corporation Berhad
Page No. 2

This report has been prepared solely for inclusion in the Prospectus of Online One in connection with the public issue of Online One shares and the subsequent listing of and quotation for the entire enlarged issued and paid-up capital of Online One on Bursa Securities and should not be used for any other purpose without our written consent.

Yours very truly,



Enclosure

12. FINANCIAL INFORMATION (Cont'd)**ONLINE ONE CORPORATION BERHAD (632267-P)**

UNIT 1030, 10th Floor, Lobby 6, Block A
 Damansara Intan, No 1 Jalan SS20/27
 47400 Petaling Jaya, Selangor Darul Ehsan
 Tel : 03-7726 7889 Fax : 03-7728 6081

**ONLINE ONE CORPORATION BERHAD ("ONLINE ONE")
 PROFORMA CONSOLIDATED BALANCE SHEETS
 AS OF 30 SEPTEMBER, 2004**

	← The Company →		← Proforma Group →		
	As of 30 September, 2004				
	Audited Financial Statements as of 30 September, 2004 RM'000	Proforma I Share Split RM'000	Proforma II After Proforma I and Acquisitions RM'000	Proforma III After Proforma I, II and Rights Issue RM'000	Proforma IV After Proforma I, II, III and New Issue RM'000
Property, Plant and Equipment Development expenditure	-	-	225	225	225
Current Assets					
Inventories	-	-	51	51	51
Trade receivables	-	-	4,743	4,743	4,743
Other receivables, deposits and prepayments	169	169	613	613	613
Cash and bank balances	*	*	1,095	8,104	18,004
	169	169	6,502	13,511	23,411
Current Liabilities					
Trade payables	-	-	3,551	3,551	3,551
Other payables and accrued expenses	169	169	138	138	138
Tax liabilities	-	-	21	21	21
	169	169	3,710	3,710	3,710
Net Current Assets/(Liabilities)	-	-	2,792	9,801	19,701
Deferred Tax Liability	-	-	(4)	(4)	(4)
Net Assets	**	**	3,286	10,295	20,195

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 identification only with our
 letter/report dated

21 FEB 2005

Deloitte & Touche
 Kuala Lumpur/Petaling Jaya

12. FINANCIAL INFORMATION (Cont'd)

	← The Company →		← Proforma Group →		
	As of 30 September, 2004				
Audited Financial Statements as of 30 September, 2004 RM'000	Proforma I Share Split RM'000	Proforma II After Proforma I and Acquisitions RM'000	Proforma III After Proforma I, II and Rights Issue RM'000	Proforma IV After Proforma I, II, III and New Issue RM'000	
Represented by:					
Share capital	***	****	1,466	8,475	11,300
Share premium	-	-	-	-	7,075
Reserve on consolidation	-	-	1,820	1,820	1,820
Shareholders' Equity	**	**	3,286	10,295	20,195
Number of shares in issue ('000)	***	****	14,660	84,750	113,000
Net Tangible Assets ("NTA")	*	*	3,013	10,022	19,922
NTA per Ordinary share (sen)	100.00	10.00	20.55	11.83	17.63

Notes:

* Represents RM2.00 cash on hand.

** Represents RM2.00.

*** Represents RM2.00 comprising 2 ordinary shares of RM1.00 each.

**** Represents RM2.00 comprising 20 ordinary shares of RM0.10 each.

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12. FINANCIAL INFORMATION (Cont'd)

NOTES AND ASSUMPTIONS TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

1. BASIS OF PREPARATION

The Proforma Consolidated Balance Sheets, together with the notes thereon, have been prepared for illustrative purposes only based on accounting principles and bases consistent with those previously adopted in the preparation of the audited financial statements and on the assumptions that the following transactions have been effected on 30 September, 2004.

The Proforma Consolidated Balance Sheets have been prepared based on the audited financial statements of the following:

- Online One for the period 1 April, 2004 to 30 September, 2004;
- Online One Software (MSC) Sdn. Bhd. ("OSMSC") for the period 1 April, 2004 to 30 September, 2004;
- EMCD Technology Sdn. Bhd. ("EMCD") for the period 1 April, 2004 to 30 September, 2004; and
- Online DM Sdn. Bhd. ("ODM") for the period 1 April, 2004 to 30 September, 2004.

2. BASIS OF CONSOLIDATION

The financial statements of the subsidiary companies to be acquired have been consolidated using the acquisition method of accounting. All significant intercompany balances and transactions are eliminated on consolidation.

3. PROFORMA CONSOLIDATED BALANCE SHEETS

Proforma I

Proforma I incorporates the effect of the share split of the par value of RM1.00 per ordinary share in Online One into ten (10) ordinary shares of RM0.10 each ("Share Split").

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12. FINANCIAL INFORMATION (Cont'd)**Proforma II**

Proforma II incorporates the acquisition of the following:

- (i) Acquisition of the entire issued and paid-up share capital of OSMSC, comprising 100,000 ordinary shares of RM1.00 each, for a total consideration of RM950,029 satisfied by the issuance of 9,500,290 new Online One ordinary shares of RM0.10 each at par;
- (ii) Acquisition of the entire issued and paid-up share capital of EMCD, comprising 250,000 ordinary shares of RM1.00 each, for a total consideration of RM411,612 satisfied by the issuance of 4,116,120 new Online One ordinary shares of RM0.10 each at par; and
- (iii) Acquisition of the entire issued and paid-up share capital of ODM, comprising 100,000 ordinary shares of RM1.00 each, for a total consideration of RM104,443 satisfied by the issuance of 1,044,430 new Online One ordinary shares of RM0.10 each at par;

The excess fair value attributable to the identifiable net assets of the subsidiary company at the effective date of acquisition over the cost of the purchase consideration has given rise to reserve on consolidation of RM1,820,000.

The acquisitions of OSMSC, EMCD and ODM are collectively referred to as the "Acquisitions".

Proforma III

Proforma III incorporates the effects of Proforma I and Proforma II and the rights issue of 70,089,140 new ordinary shares of RM0.10 each in Online One at par on the basis of approximately 4.78 new ordinary shares for every one (1) ordinary share held after the Acquisitions ("Rights Issue").

Proforma IV

Proforma IV incorporates the effects of Proforma I, Proforma II and Proforma III and the issue of 28,250,000 new ordinary shares of RM0.10 each in Online One at an issue price of RM0.40 per share ("New Issue"). The New Issue will give rise to a share premium of RM8,475,000. Listing expenses are estimated to be approximately RM1,400,000 and will be set-off against the share premium account.

4. PROCEEDS FROM NEW ISSUE

The gross proceeds arising from the Rights Issue and New Issue amounting to RM18,308,914 will accrue entirely to the Company, which the Company proposes to be utilised as follows:

Details of proposed utilisation of proceeds	RM'000
Branding and promotion	1,000
Research and development	5,000
Project financing	7,000
Working capital	3,909
Estimated listing expenses	1,400
	18,309

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12. FINANCIAL INFORMATION (Cont'd)**5. SHARE CAPITAL**

The movement of issued and fully-paid share capital are as follows:

	Proforma Group and The Company RM'000
As of 30 September, 2004	
- 2 ordinary shares of RM1.00 each	*
Share split of the par value of ordinary shares from RM1.0 each to RM0.10 each	-
Proforma I	
- 20 ordinary shares of RM0.10 each	**
Issue of 14,660,840 new ordinary shares of RM0.10 each pursuant to the Acquisitions	1,466
Proforma II	
- 14,660,860 ordinary shares of RM0.10 each	1,466
Issue of 70,089,140 new ordinary shares of RM0.10 each pursuant to the Rights Issue	7,009
Proforma III	
- 84,750,000 ordinary shares of RM0.10 each	8,475
Issue of 28,250,000 new ordinary shares of RM0.10 each pursuant to the New Issue	2,825
Proforma IV	
- 113,000,000 ordinary shares of RM0.10 each	11,300

* This represents RM2 comprising 2 ordinary shares of RM1.00 each.

** This represents RM2 comprising 20 ordinary shares of RM0.10 each.

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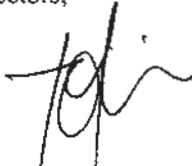
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12. FINANCIAL INFORMATION (Cont'd)**6. SHARE PREMIUM**

The movements in share premium are as follows:

	RM'000
Premium arising from the issue of 28,250,000 ordinary shares of RM0.10 each at an issue price of RM0.40 per share pursuant to the New Issue	8,475
Less: Estimated listing expenses	<u>(1,400)</u>
As shown in Proforma IV	<u>7,075</u>

Signed in accordance with a resolution of the Directors,



LEONG YOK KIN
Managing Director

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