



ONLINE ONE CORPORATION BERHAD
(Company No: 632267-P)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2008

ONLINE ONE CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2008****CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2008**

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2007 RM'000	CURRENT YEAR TO DATE 31/03/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2007 RM'000
Revenue	13,881	12,117	40,245	43,125
Cost of sales	<u>(12,377)</u>	<u>(10,250)</u>	<u>(33,702)</u>	<u>(35,965)</u>
Gross profit	1,504	1,867	6,543	7,160
Other operating income	39	56	108	147
Operating expenses	<u>(1,983)</u>	<u>(1,706)</u>	<u>(6,048)</u>	<u>(5,536)</u>
Operating (loss)/profit	(440)	217	603	1,771
Interest expense	(2)	-	(4)	-
Interest income	<u>-</u>	<u>17</u>	<u>55</u>	<u>107</u>
(Loss)/Profit before tax	(442)	234	654	1,878
Income tax (expense)/credit	<u>6</u>	<u>34</u>	<u>(69)</u>	<u>(57)</u>
(Loss)/Profit for the year	<u>(436)</u>	<u>268</u>	<u>585</u>	<u>1,821</u>
Attributable to:				
Equity holders of the parent	<u>(436)</u>	<u>268</u>	<u>585</u>	<u>1,821</u>
Basic earnings per share (sen)	<u>(0.26)</u>	<u>0.16</u>	<u>0.35</u>	<u>1.07</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2008****CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 MARCH 2008**

	UNAUDITED AS AT END OF CURRENT QUARTER 31/03/2008 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2007 RM'000
Non-current Assets		
Property, plant and equipment	11,818	295
Development expenditure	5,121	4,981
Goodwill	736	-
	<hr/> 17,675 <hr/>	<hr/> 5,276 <hr/>
Current Assets		
Inventories	4,482	228
Trade receivables	8,355	16,562
Other receivables and prepaid expenses	632	421
Short-term investments	64	1,026
Short-term deposits with a licensed bank	-	2,020
Cash and bank balances	2,007	3,954
	<hr/> 15,540 <hr/>	<hr/> 24,211 <hr/>
Total assets	<hr/> 33,215 <hr/>	<hr/> 29,487 <hr/>
Equity and Liabilities		
Issued capital	16,950	16,950
Share premium	1,359	1,359
Unappropriated profit	8,447	7,862
Total equity	<hr/> 26,756 <hr/>	<hr/> 26,171 <hr/>
Non-current Liabilities		
Hire purchase creditor	237	-
Deferred taxation	757	231
	<hr/> 994 <hr/>	<hr/> 231 <hr/>
Current Liabilities		
Trade payables	5,135	2,671
Other payables and accrued expenses	289	414
Hire purchase creditor	41	-
	<hr/> 5,465 <hr/>	<hr/> 3,085 <hr/>
Total liabilities	<hr/> 6,459 <hr/>	<hr/> 3,316 <hr/>
Total equity and liabilities	<hr/> 33,215 <hr/>	<hr/> 29,487 <hr/>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<hr/> 15.79 <hr/>	<hr/> 15.44 <hr/>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the financial year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2008****CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2008**

(These figures have not been audited)

	Issued capital RM'000	Share premium RM'000	Non-distributable reserve - Reserve on consolidation RM'000	Distributable reserve - Unappropriated profit RM'000	Total RM'000
Balance as at 1 April 2006	16,950	1,359	2,533	3,508	24,350
Effect of adopting FRS 3	-	-	(2,533)	2,533	-
Total recognised income and expense for the year - profit for the year	-	-	-	1,821	1,821
Balance as at 31 March 2007	<u>16,950</u>	<u>1,359</u>	<u>-</u>	<u>7,862</u>	<u>26,171</u>
Balance as at 1 April 2007	16,950	1,359	-	7,862	26,171
Total recognised income and expense for the year - profit for the year	-	-	-	585	585
Balance as at 31 March 2008	<u>16,950</u>	<u>1,359</u>	<u>-</u>	<u>8,447</u>	<u>26,756</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2008****CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

(These figures have not been audited)

	CURRENT YEAR TO DATE 31/03/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2007 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	585	1,821
Adjustments for:		
Amortisation of development expenditure	826	641
Depreciation of property, plant and equipment	468	164
Income tax expense	69	57
Property, plant and equipment written off	30	14
Development expenditure written off	4	4
Interest expense	4	-
Interest income	(55)	(107)
Deferred expenditure written off	-	271
Allowance for doubtful receivables	150	150
Inventories written down	-	109
Inventories written off	-	1
Operating Profit Before Working Capital Changes	2,081	3,125
Changes In Working Capital:		
Net change in current assets	3,576	2,904
Net change in current liabilities	2,333	(5,638)
Cash From Operations	7,990	391
Net income tax refund/(paid)	23	(138)
Interest expense	(4)	-
Interest received	55	107
Net Cash Generated From Operating Activities	8,064	360
CASH FLOW USED IN INVESTING ACTIVITIES		
Net cash outflow from acquisition of a subsidiary company	(11,280)	-
Withdrawal/(Placement) of short-term investments	962	(1,026)
Development expenditure incurred	(970)	(1,634)
Purchase of property, plant and equipment	(1,021)	(219)
Net Cash Used In Investing Activities	(12,309)	(2,879)

(Forward)

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	CURRENT YEAR TO DATE 31/03/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2007 RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Drawdown from hire purchase creditor	288	-
Repayment of hire purchase creditor	(10)	-
Net Cash From Financing Activity	278	-
NET DECREASE IN CASH AND CASH EQUIVALENT	(3,967)	(2,519)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	5,974	8,493
CASH AND CASH EQUIVALENT AT END OF YEAR	2,007	5,974

Cash and cash equivalent comprise of:

	CURRENT YEAR TO DATE 31/03/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2007 RM'000
Short-term deposits with a licensed bank	-	2,020
Cash on hand and at banks	2,007	3,954
	2,007	5,974

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**UNAUDITED INTERIM FINANCIAL REPORT
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A EXPLANATORY NOTES PURSUANT TO FRS 134

A1 Basis of preparation

The interim financial report is unaudited and had been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134 “Interim Financial Reporting” and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the MESDAQ Market, and should be read in conjunction with the Group’s financial statements for the financial year ended 31 March 2007.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2007 except for the adoption of the following new/revised FRS during the current financial year under review:

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of the above FRS does not have any significant financial impact on the Group.

A2 Qualification of annual financial statements

The preceding year annual audited financial statements were not subject to any qualification.

A3 Seasonal or cyclical factors

The Group's interim operations were not subject to any significant seasonal or cyclical factors.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

During the quarter under review, there were no unusual items affecting assets, liabilities, equity, net income or cash flows, which are unusual by reason of their nature, size or incidence.

A5 Changes in estimates

There were no changes in the nature and estimates of amounts reported which have a material effect on the results for the quarter under review.

A6 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter under review.

A7 Dividends paid

There were no dividends paid during the quarter under review.

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**UNAUDITED INTERIM FINANCIAL REPORT
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The segment information for the financial year ended 31 March 2008 are as follows:

	Information Communication Technology RM'000	Biotechnology Related Products RM'000	Holding Company RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External	27,442	12,803	-	-	40,245
Inter-segment	-	-	-	-	-
Total	<u>27,442</u>	<u>12,803</u>	<u>-</u>	<u>-</u>	<u>40,245</u>
RESULTS					
Segment profit/(loss)	<u>1,568</u>	<u>(348)</u>	<u>(641)</u>	<u>24</u>	<u>603</u>
Interest expense					(4)
Interest income					<u>55</u>
Profit before tax					<u>654</u>
Income tax expense					<u>(69)</u>
Profit for the year					<u>585</u>
SEGMENT ASSETS	<u>21,076</u>	<u>12,048</u>	<u>18,384</u>	<u>(18,154)</u>	<u>33,354</u>
SEGMENT LIABILITIES	<u>9,310</u>	<u>5,984</u>	<u>1,605</u>	<u>(10,301)</u>	<u>6,598</u>
Capital expenditure	1,522	145	320	-	1,987
Depreciation and amortisation	989	297	32	(24)	1,294

A9 Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the quarter under review.

A10 Subsequent events

There were no material events subsequent to the end of the quarter under review that have not been reflected in the financial statements for the quarter under review.

A11 Changes in the composition of the Group**Incorporation of wholly-owned subsidiary, Ace Biomass Sdn Bhd**

On 31 July 2007, the Board announced that Online One had on 27 July 2007 incorporated a wholly-owned subsidiary known as Ace Biomass Sdn Bhd ("Ace Biomass").

Ace Biomass was incorporated for the purposes of carrying out research and development and sales and trading of biomass products.

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Acquisition of 1,800,000 ordinary shares of RM1.00 each in Ace Edible Oil Industries Sdn Bhd (“AceEOI”) representing the entire equity interest in AceEOI

On 21 November 2007, the Board announced that Online One had on 16 November 2007 completed the acquisition of the entire issued and paid-up share capital of Ace Edible Oil Industries Sdn Bhd.

The principal activities of AceEOI are palm kernel crushing, refining of palm oil and palm kernel oil.

The net assets acquired in the above acquisition are as follows:

	Book value RM'000	Fair value adjustments RM'000	Fair value on acquisition RM'000
Property, plant and equipment	6,407	4,593	11,000
Other receivables and prepaid expenses	10	-	10
Other payables and accrued expenses	(6)	-	(6)
Deferred taxation		(460)	(460)
Net assets acquired	<u>6,411</u>	<u>4,133</u>	10,544
Goodwill on acquisition			<u>736</u>
Total purchase consideration			<u>11,280</u>
Cash and cash equivalent acquired			<u>-</u>
Net cash outflow on acquisition			<u>11,280</u>

A12 Contingent assets and contingent liabilities

There were no material contingent assets as at the date of this report. As at 31st March, 2008, the Company is contingently liable to the extent of RM5,300,000 in respect of guarantees given for purchases by subsidiary companies.

A13 Capital commitments

There were no capital commitments as at the date of this report.

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**B ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA SECURITIES FOR THE MESDAQ MARKET**

B1 Review of performance

The Group recorded revenue of approximately RM13.9 million for the current quarter under review as compared to RM12.1 million in the preceding year corresponding quarter. The increase in Group revenue was mainly attributable to its newly acquired subsidiary, from the sales of palm kernel products of RM10.6 million. ICT segment's revenue however declined by approximately RM8.8 million. This was the result of lower revenue contributed from sales of software applications and related maintenance fees and sales of total information technology solutions by RM1.4 million and RM8.0 million respectively. Sales of provision of information management services recorded an increase of RM0.6 million. Gross profit, however, had declined by RM0.4 million as compared to the preceding year corresponding quarter due to lower gross profit margin secured from its ICT segment.

For the current quarter under review, the Group recorded a loss of approximately RM436,000 as compared to profit of approximately RM268,000 in the preceding year corresponding quarter. The loss is mainly due to lower gross profit margin secured and comparatively higher operating expenses as a result of business expansion and operations of its palm kernel crushing plant which has yet to reach its critical mass capacity.

For the financial year ended 31 March 2008, the Group recorded revenue of RM40.2 million, as compared to RM43.1 million recorded in the corresponding financial year ended 31 March 2007. The decrease in revenue was due to the decline in its ICT business which recorded a decrease of revenue of RM15.7 million. The Group generated lower gross profit of RM6.5 million for the financial year ended 31 March 2008 as compared to RM7.2 million for the financial year ended 31 March 2007, mainly due to lower group revenue and gross profit margin from its ICT business activity.

The Group recorded lower net profit of approximately RM0.6 million for the financial year ended 31 March 2008 as compared to approximately RM1.8 million for the corresponding financial year ended 31 March 2007. The decrease is mainly due to lower gross profit margin secured and higher operating expenses as a result of business expansion and operations of its palm kernel crushing plant.

B2 Variation of results against preceding quarter

	CURRENT QUARTER 31/03/2008 RM'000	IMMEDIATE PRECEDING QUARTER 31/12/2007 RM'000
Revenue	13,881	9,048
(Loss)/Profit before taxation	(442)	149

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The Group's revenue for the quarter under review has increased, mainly contributed from its newly acquired subsidiary, from the sales of palm kernel products of RM8.5 million. Revenue from its ICT segment has declined by approximately RM3.6 million.

The Group however, recorded a loss of approximately RM442,000 as compared to previous quarter profit before tax of approximately RM149,000. The decrease was mainly due to lower gross profit margin and higher operating costs for the current quarter under review.

B3 Prospects

The Group will continue with its conscious effort in its business expansion exercise and enhance its product offering via research and development activities with a view to enhance shareholders' value. Barring unforeseen circumstances, the Board expects the next financial years' performance to be satisfactory.

B4 Profit forecast / Profit guarantee

The Group did not issue any profit forecast or profit guarantee in any public documents.

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2007 RM'000	CURRENT YEAR TO DATE 31/03/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2007 RM'000
In respect of the current period:				
Estimated current tax (credit)/expense	(3)	(4)	3	81
Deferred taxation	(3)	(30)	66	(24)
	<u>(6)</u>	<u>(34)</u>	<u>69</u>	<u>57</u>

One of the subsidiaries of Online One Corporation Berhad, Online One Software (MSC) Sdn Bhd, has been accorded Multimedia Super Corridor Status on 15 October 2002 and was granted Pioneer Status on 11 August 2003, which exempts 100% of its statutory business income from taxation for a period of up to five (5) years commencing from 1 April 2003 to 31 March 2008. As such, the effective tax rate for the Group for the quarter under review and financial year-to-date is lower than the statutory income tax rate.

B6 Sale of unquoted investments and properties

There were no disposals of unquoted investments and properties during the quarter under review and financial year-to-date.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the quarter under review.

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B8 Status of corporate proposals announced but not completed

Proposed acquisition of 1,800,000 ordinary shares of RM1.00 each in Ace Edible Oil Industries Sdn Bhd (“Ace”) representing the entire equity interest in Ace for a total purchase consideration of RM10,700,000 to be fully satisfied in cash (“Proposed Acquisition”)

Online One had on 5 June 2007 entered into the Share Sale Agreement (“SSA”) with Goh Hian Chew, Boon Joo Lan, Julius Goh Shee Young, Goh Hiong Eng and Goh Yan Ming (“the Vendors”) to acquire the entire issued and paid-up share capital of Ace for a total cash consideration of RM11,000,000. Subsequently, on 13 August 2007, a Supplemental Agreement (“SA”) was signed between the aforesaid parties to revise the Purchase Consideration, from RM11,000,000 to RM10,700,000. Upon completion of the Proposed Acquisition, Ace will become a wholly-owned subsidiary of Online One.

Shareholders’ approval for the Proposed Acquisition was obtained on 26 September 2007. The Proposed Acquisition was completed on 16 November 2007 with the announcement of the same released to Bursa Malaysia Securities Berhad on 21 November 2007.

Proposed private placement of up to 10% of the issue and paid-up share capital of Online One to investors to be identified (“Proposed Private Placement”)

OSK Investment Bank Berhad (“OSK”), on behalf of the Board of Directors of Online One had on 22 January 2008 announced that the Company proposed to implement a private placement of up to 16,950,000 new ordinary shares of RM0.10 each in Online One representing not more than ten percent (10%) of the issued and paid-up share capital of the Company, to investors to be identified.

The Company had on 20 February 2008 announced that it had obtained the approval of the Securities Commission (“SC”) and the approval of the Equity Compliance Unit of the SC for the Proposed Private Placement subject to the conditions stated in the aforesaid announcement.

As at the date of this report the Proposed Private Placement is still pending completion.

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**UNAUDITED INTERIM FINANCIAL REPORT
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The Company raised RM18.309 million from its Initial Public Offering exercise. The details of the utilisation of proceeds as at 31 March 2008 are as follow:

Purposes	Proposed Utilisation RM'000	Revised Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000
Project financing	7,000	7,000	7,000	-
Research and development	5,000	5,000	5,000	-
Branding and promotion	1,000	168 ⁽²⁾	168	-
Working capital	3,909	4,771 ⁽¹⁾⁽²⁾	4,771	-
Listing expenses	1,400	1,370 ⁽¹⁾	1,370	-
	<u>18,309</u>	<u>18,309</u>	<u>18,309</u>	<u>-</u>

Notes:

⁽¹⁾ The excess of RM30,000 allocated for listing expenses was utilised for working capital purposes.

⁽²⁾ The balance of RM832,000 allocated for branding and promotion was utilised for working capital purposes.

B10 Group's borrowings and debt securities

Save as disclosed below, there are no other borrowings or debts securities in the Group:

	Short Term RM'000	Long Term RM'000	Total RM'000
Hire purchase creditor	<u>41</u>	<u>237</u>	<u>278</u>

The hire purchase creditor is in respect of a lease financing for asset utilised by the Company, of which the portion of the borrowing due within one year have been classified as short term. All the borrowings are denominated in Ringgit Malaysia.

B11 Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this report.

B12 Material litigation

The Group has no outstanding material litigation as at the date of this report.

B13 Dividends

The Directors have not recommended or declared any dividends for the quarter ended 31 March 2008.

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**UNAUDITED INTERIM FINANCIAL REPORT
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	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2007 RM'000	CURRENT YEAR TO DATE 31/03/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2007 RM'000
(Loss)/Profit for the period (RM'000)	(436)	268	585	1,821
Weighted average number of shares in issue ('000)	169,500	169,500	169,500	169,500
Basic earnings per share (sen)	<u>(0.26)</u>	<u>0.16</u>	<u>0.35</u>	<u>1.07</u>

By Order of the Board

WONG KEO ROU (MAICSA 7021435)

Company Secretary

Kuala Lumpur

Date: 28 May 2008