



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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008

ONLINE ONE CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008****CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008**

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2007 RM'000	CURRENT YEAR TO DATE 31/12/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2007 RM'000
Revenue	18,779	9,048	59,628	26,364
Cost of sales	<u>(16,203)</u>	<u>(7,632)</u>	<u>(56,037)</u>	<u>(21,325)</u>
Gross profit	2,576	1,416	3,591	5,039
Other operating income	63	40	277	69
Amortisation and depreciation	(601)	(301)	(1,761)	(713)
Operating expenses	<u>(1,210)</u>	<u>(1,014)</u>	<u>(3,739)</u>	<u>(3,352)</u>
Operating profit/(loss)	828	141	(1,632)	1,043
Interest expense	(9)	(1)	(14)	(2)
Interest income	<u>-</u>	<u>9</u>	<u>1</u>	<u>55</u>
Profit/(Loss) before tax	819	149	(1,645)	1,096
Income tax expense	<u>(10)</u>	<u>(47)</u>	<u>(31)</u>	<u>(75)</u>
Profit/(Loss) for the period	<u>809</u>	<u>102</u>	<u>(1,676)</u>	<u>1,021</u>
Attributable to: Equity holders of the parent	<u>809</u>	<u>102</u>	<u>(1,676)</u>	<u>1,021</u>
Basic earnings per share (sen)	<u>0.48</u>	<u>0.06</u>	<u>(0.98)</u>	<u>0.60</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 March 2008 and the accompanying explanatory notes attached to the interim financial statements.

ONLINE ONE CORPORATION BERHAD

(Company No: 632267-P)

(Incorporated in Malaysia)

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

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2008 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31/03/2008 RM'000
Non-current Assets		
Property, plant and equipment	11,444	11,820
Development expenditure	4,145	5,121
Goodwill	736	736
	<u>16,325</u>	<u>17,677</u>
Current Assets		
Inventories	3,324	4,482
Trade receivables	8,431	8,392
Other receivables and prepaid expenses	1,737	605
Short-term investments	65	64
Cash and bank balances	1,886	2,249
	<u>15,443</u>	<u>15,792</u>
Total assets	<u><u>31,768</u></u>	<u><u>33,469</u></u>
Equity and Liabilities		
Issued capital	16,950	16,950
Share premium	1,359	1,359
Unappropriated profit	6,789	8,465
Total equity	<u>25,098</u>	<u>26,774</u>
Non-current Liabilities		
Hire Purchase creditors	514	237
Deferred taxation	616	673
	<u>1,130</u>	<u>910</u>
Current Liabilities		
Trade payables	1,634	5,379
Other payables and accrued expenses	1,477	365
Hire Purchase creditors	14	41
Borrowings	2,415	-
	<u>5,540</u>	<u>5,785</u>
Total liabilities	<u>6,670</u>	<u>6,695</u>
Total equity and liabilities	<u><u>31,768</u></u>	<u><u>33,469</u></u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u><u>14.81</u></u>	<u><u>15.79</u></u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the financial year ended 31 March 2008 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008****CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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 2007	16,950	1,359	-	7,862	26,171
Profit for the period	-	-	-	1,021	1,021
Balance as at 31 December 2007	<u>16,950</u>	<u>1,359</u>	<u>-</u>	<u>8,883</u>	<u>27,192</u>
Balance as at 1 April 2008	16,950	1,359	-	8,465	26,774
Loss for the period	-	-	-	(1,676)	(1,676)
Balance as at 31 December 2008	<u>16,950</u>	<u>1,359</u>	<u>-</u>	<u>6,789</u>	<u>25,098</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 2008 and the accompanying explanatory notes attached to the interim financial statements.

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

(These figures have not been audited)

	CURRENT YEAR TO DATE 31/12/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2007 RM'000
CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES		
(Loss)/Profit for the period	(1,676)	1,021
Adjustments for:		
Amortisation of development expenditure	989	514
Depreciation of property, plant and equipment	772	199
Property, plant and equipment written off	16	-
Gain on disposal of property, plant and equipment	(75)	-
Interest expense	8	2
Interest income	(1)	(55)
Income tax expense	21	75
	<hr/>	<hr/>
Operating (Loss)/Profit Before Working Capital Changes	54	1,756
Changes In Working Capital:		
Net change in current assets	(55)	4,362
Net change in current liabilities	(2,634)	697
	<hr/>	<hr/>
Cash (Used In)/From Operations	(2,635)	6,815
Net income tax (paid)/refund	(35)	74
Interest expense	(8)	(2)
Interest received	1	55
	<hr/>	<hr/>
Net Cash (Used In)/Generated From Operating Activities	(2,677)	6,942
	<hr/>	<hr/>
CASH FLOW USED IN INVESTING ACTIVITIES		
Net cash outflow from acquisition of a subsidiary company	-	(11,193)
(Placement)/Withdrawal of short-term investments	(1)	962
Development expenditure incurred	(13)	(680)
Proceeds from disposal of property, plant and equipment	76	-
Purchase of property, plant and equipment	(413)	(735)
	<hr/>	<hr/>
Net Cash Used In Investing Activities	(351)	(11,646)
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(Forward)

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	CURRENT YEAR TO DATE 31/12/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2007 RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Proceeds from short-term borrowing	2,415	-
Drawdown from hire purchase creditor	300	288
Repayment of hire purchase creditor	(50)	-
Net Cash Used In Financing Activity	<u>2,665</u>	<u>288</u>
NET DECREASE IN CASH AND CASH EQUIVALENT	(363)	(4,416)
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	<u>2,249</u>	<u>5,974</u>
CASH AND CASH EQUIVALENT AT END OF PERIOD	<u>1,886</u>	<u>1,558</u>

Notes:

Cash and cash equivalent comprise:

	CURRENT YEAR TO DATE 31/12/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2007 RM'000
Cash on hand and at banks	<u>1,886</u>	<u>1,558</u>
	<u>1,886</u>	<u>1,558</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 March 2008 and the accompanying explanatory notes attached to the interim financial statements.

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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 year ended 31 March 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2008 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 nine (9) months financial period ended 31 December 2008 were as follows:

	Information Communication Technology RM'000	Bio-technology Related Products RM'000	Holding Company RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External	6,776	52,852	-	-	59,628
Inter-segment	-	-	-	-	-
Total	<u>6,776</u>	<u>52,852</u>	<u>-</u>	<u>-</u>	<u>59,628</u>
RESULTS					
Segment (loss)/profit	<u>(1,063)</u>	<u>210</u>	<u>(565)</u>	<u>(220)</u>	<u>(1,638)</u>
Interest expense					(8)
Interest income					<u>1</u>
Loss before tax					<u>(1,645)</u>
Income tax expense					<u>(31)</u>
Loss for the period					<u>(1,676)</u>
SEGMENT ASSETS	<u>25,055</u>	<u>142</u>	<u>17,290</u>	<u>(11,876)</u>	<u>30,611</u>
SEGMENT LIABILITIES	<u>13,594</u>	<u>221</u>	<u>116</u>	<u>(10,410)</u>	<u>3,521</u>
Capital expenditure	10	68	335	-	414
Depreciation and amortisation	1,177	257	107	220	1,761

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 of the quarter under review.

A12 Contingent assets and contingent liabilities

There were no material contingent assets as at 31 December 2008.

As at 31 December 2008, the Company is contingently liable to the extent of RM15,000 in respect of guarantees given to third parties for granting credit term to certain subsidiary companies for the purchases of products and/or services.

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A13 Capital commitments

One of the subsidiaries of Online One Corporation Berhad, Ace Edible Oil Industries Sdn Bhd has on 8 April 2008 entered into an agreement to purchase a premium quality oil plant for RM4,760,000. As of to date, a deposit of RM952,000, representing twenty per cent (20%) of the purchase consideration, has been paid.

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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 RM18.78 million for the current quarter under review as compared to RM9.05 million in the preceding year corresponding quarter. The increase in Group revenue was mainly attributable to the Bio-technology segment, from the sales of palm kernel products of RM13.37 million. ICT segment's revenue however declined by approximately RM3.64 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 RM1.54 million and RM2.10 million respectively. Gross profit however increased by RM1.16 million as compared to the preceding year corresponding quarter due to improved margin secured by the Bio-technology segment.

For the current quarter under review, the Group recorded a profit of approximately RM0.80 million as compared to profit of approximately RM0.10 million in the preceding year corresponding quarter. The profit is mainly due to higher gross profit margin secured by the operations of palm kernel crushing plant.

For the nine (9) months financial period ended 31 December 2008, the Group recorded revenue of approximately RM59.63 million, as compared to RM26.36 million recorded in the corresponding financial period ended 31 December 2007. The increase in the Group's revenue was attributed to the sales of palm kernel products from the Bio-technology segment, amounting to approximately RM50.69 million. However, for the Group's ICT segment, the sales of software applications and related maintenance fees and sales of total information technology solutions have decreased by RM7.78 million and RM9.65 million respectively.

The Group generated a lower gross profit of RM3.59 million for the financial period ended 31 December 2008 as compared to RM5.04 million for the financial period ended 31 December 2007. This is primarily due to the lower gross profit margin from its ICT segment.

The Group recorded net loss of approximately RM1.67 million for the nine (9) months financial period ended 31 December 2008 as compared to a net profit of approximately RM1.02 million for the corresponding financial period ended 31 December 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 the palm kernel crushing plant which has yet to reach its critical mass capacity.

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B2 Variation of results against preceding quarter

	CURRENT QUARTER 31/12/2008 RM'000	IMMEDIATE PRECEDING QUARTER 31/09/2008 RM'000
Revenue	18,779	18,336
Profit/(Loss) before taxation	819	(1,282)

The marginal increase in the Group's revenue for the quarter under review is mainly attributable to the ICT segment, from the increase in sales of total information technology solutions by RM2.53 million. However sales from the Bio-technology segment drop by RM2.06 million.

Accordingly, the Group recorded a profit of approximately RM0.82 million as compared to a loss of previous quarter of approximately RM1.28 million

B3 Prospects

The Group will continue to seek avenue to enhance its business operations and product offering via research and development activities. The current economic condition is already adding extra pressure on the Group's operations. Barring unforeseen circumstances, the Board is cautiously optimistic that the performance for the remaining quarter for the financial year to be satisfactory.

B4 Profit forecast / Profit guarantee

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

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**UNAUDITED INTERIM FINANCIAL REPORT
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	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2007 RM'000	CURRENT YEAR TO DATE 31/12/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2007 RM'000
In respect of the current period:				
Estimated current tax payable	29	-	88	85
Deferred taxation	(19)	47	(57)	6
Overprovision in prior years	-	-	-	-
	<u>10</u>	<u>47</u>	<u>31</u>	<u>91</u>

The effective tax rate for the financial year was higher than the statutory income tax rate in Malaysia due to losses of certain subsidiaries that were not available for set off against taxable profits of other subsidiaries and certain expenses which were not deductible for tax purposes.

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 private placement of up to 10% of the issue and paid-up share capital of Online One Corporation Berhad (“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.

On 19 February 2008, the Company obtained the approval of the Securities Commission (“SC”) for the Proposed Private Placement subject to the certain conditions.

On 15 August 2008, the Company obtained SC’s approval to extend the implementation of the Proposed Private Placement for a further 6 months to 17 February 2009.

On 17 February 2009, the Company had announced that it does not intend to proceed with the implementation of the Proposed Private Placement.

B9 Status of utilisation of proceeds from Initial Public Offering

There are no proceeds from public issue that was not fully utilised.

B10 Group’s borrowings and debt securities

The Group’s borrowings and debts securities as at 31 December 2008 were as follows:

	Short Term RM’000	Long Term RM’000	Total RM’000
Trust receipts	2,415	-	2,415
Hire purchase creditor	14	514	528

During the financial period under review, one of the subsidiaries of the Company, Ace Edible Oil Industries Sdn Bhd had successfully secured general banking facilities from a licensed financial institution of RM7,500,000. The general banking facilities is secured by way of legal charge over two pieces of freehold land and building and specific debenture over plant and machinery located on the property.

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.

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B11 Off balance sheet financial instruments

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

B12 Material litigations

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 December 2008.

B14 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2008	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2007	CURRENT YEAR TO DATE 31/12/2008	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2007
Profit/(Loss) for the period (RM'000)	809	102	(1,672)	1,021
Weighted average number of shares in issue ('000)	169,500	169,500	169,500	169,500
Basic earnings per share (sen)	<u>0.48</u>	<u>0.06</u>	<u>(0.98)</u>	<u>0.60</u>

By Order of the Board

WONG KEO ROU (MAICSA 7021435)
Company Secretary
Kuala Lumpur

Date: 27 February 2009