

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS134, “Interim Financial Reporting” and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (Bursa Securities) Listing Requirements. This interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2006.

A2. Auditors’ Report on Preceding Annual Financial Statements

The preceding annual financial statements of the Group were reported on without any qualification.

A3. Comments about Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors.

A4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current financial quarter and financial year to-date.

A5. Changes in Estimates

There were no changes in the estimates of amounts reported during the current financial quarter and financial year to-date.

A6. Segmental Information

The Group generates majority of its revenue from Malaysia and operates primarily in the semiconductor industry.

The revenue by geographical segment is as follows:

	Segment Revenue			
	Current	Preceding Year	Current	Preceding Year
	Quarter Ended	Corresponding	Year Ended	Year Ended
	31 December 2007	Quarter Ended	31 December 2007	31 December 2006
Malaysia	28,576,771	27,943,363	105,965,738	99,732,018
Singapore	2,639,980	4,786,548	12,256,174	15,679,935
Others	653,269	1,007,784	3,676,325	3,642,867
	<u>31,870,020</u>	<u>33,737,695</u>	<u>121,898,237</u>	<u>119,054,820</u>

There is no segmental information disclosed on the Group’s assets and capital expenditure as the Group is primarily situated in Malaysia.

A7. Dividend

The first and final tax-exempt dividend of 3 percent on the par value per ordinary share amounting to RM2,190,000 for the financial year ended 31 December 2006 (2005: 3% tax exempt) was paid on 26 June 2007.

A8. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment for the quarter / financial period.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007

A9. Debt and Equity Securities

There are no issuance, cancellation, repurchase, resale and repayment of debt and equity security for the current financial quarter and financial year to-date.

A10. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the current quarter under review.

A11. Discontinued Operation

There were no discontinued operations in the current quarter.

A12. Capital Commitment

Capital commitment contracted but not provided for in the financial statement:

	As at 31 December 2007 RM	As at 31 December 2006 RM
Property, Plant and Equipment	<u>7,279,785</u>	<u>6,322,589</u>

A13. Financial Commitment

Financial commitment contracted but not provided for in the financial statement:

	As at 31 December 2007 RM	As at 31 December 2006 RM
Uncalled Balance in the Investment in an Associate	<u>9,900,000</u>	<u>14,300,000</u>

A14. Changes in Contingent Liabilities or Contingent Assets

As at 31 December 2007, the Company provided a total of RM70.05 million of corporate guarantees to financial institutions for all unsecured credit facilities granted to its wholly-owned subsidiary, Omega Semiconductor Sdn. Bhd.

A15. Subsequent Events

There were no other material events subsequent to the current financial quarter ended 31 December 2007.

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Performance Review

The Group recorded a revenue of RM31.87million and RM121.90 million, profit before taxation (PBT) of RM6.93 million and RM28.81 million, and profit after taxation (PAT) of RM5.68 million and RM25.77 million for the current quarter and financial year ended 31 December 2007 respectively.

The current quarter results represent a decrease of 5.54 percent in revenue, an increase of 427.69 percent in PBT and 870.66 percent in PAT as compared to the previous year corresponding quarter.

The increase in profit was mainly due to a better margin contribution from the Group and higher share of profit contribution from the associated company.

B2. Comment on Material Changes in Profit Before Taxation

The Group profit before taxation for the current quarter ended 31 December 2007 of RM6.93 million is lower than the previous quarter ended 30 September 2007 by RM0.74 million. This is mainly due to lower profit contribution from the associated company.

B3. Current Year's Review

The Group's financial performance for the year ended 31 December 2007 was driven by its efforts in productivity and cost saving activities which contribute to significant improvement in margin. Besides that, the share of profit from the associated company was also higher due to increase in revenue.

The Group will continue to focus to bring in revenue from OEM products, customer base expansion, enhancing product quality and improving process and operational efficiency for quarters to come.

Barring any unforeseen circumstances the financial performance of the Group is expected to improve in 2008.

B4. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

B5. Income Tax Expense

	Preceding Year		Current Year Ended 31 December 2007	Preceding Year Ended 31 December 2006
	Current Quarter Ended 31 December 2007	Corresponding Quarter Ended 31 December 2006		
	RM	RM	RM	RM
Current taxation - Ordinary Activities	365,657	271,792	1,584,816	1,051,883
- An Associate	218,836	12,990	499,359	82,872
Deferred taxation	682,241	447,038	1,095,201	1,050,832
	1,266,734	731,820	3,179,376	2,185,587
(Over) / under provision in previous financial period	(11,046)	(2,992)	(132,543)	117,221
	1,255,688	728,828	3,046,833	2,302,808

The Group's effective tax rate for the current financial quarter and financial year to-date was lower than the statutory tax rate mainly due to the availability of reinvestment allowances claimed on qualifying expenditure.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007

B6. Quoted Securities

i) Details of purchases and disposals of quoted securities are as follows:

	Current Year Quarter Ended 31 December 2007 RM	Preceding Year Quarter Ended 31 December 2006 RM	Current Year Ended 31 December 2007 RM	Preceding Year Ended 31 December 2006 RM
At cost:				
Opening balance	4,361,941	4,017,295	4,017,295	3,953,840
Add:				
Purchases	-	-	344,646	63,455
Closing balance	<u>4,361,941</u>	<u>4,017,295</u>	<u>4,361,941</u>	<u>4,017,295</u>
At market value	<u>6,478,523</u>	<u>4,774,330</u>	<u>6,478,523</u>	<u>4,774,330</u>

ii) Details of investments in quoted securities:

	As at 31 December 2007 RM	As at 31 December 2006 RM
At cost	<u>4,361,941</u>	<u>4,017,295</u>
At market value	<u>6,478,523</u>	<u>4,774,330</u>

B7. Unquoted Investments and/or Properties

There was no sale of properties for the current quarter and financial year ended 31 December 2007. The movement of unquoted securities for the Group during the current financial quarter and financial year ended 31 December 2007 is as follows:

Investment in an associate

	Current Year Quarter Ended 31 December 2007 RM	Preceding Year Quarter Ended 31 December 2006 RM	Current Year Ended 31 December 2007 RM	Preceding Year Ended 31 December 2006 RM
Investment in an associate - Dominant Semiconductors Sdn Bhd				
Opening balance	51,700,000	38,500,000	51,700,000	25,300,000
Called during the period	4,400,000	13,200,000	4,400,000	26,400,000
Total at cost	<u>56,100,000</u>	<u>51,700,000</u>	<u>56,100,000</u>	<u>51,700,000</u>
Authorised conversion value	66,000,000	66,000,000	66,000,000	66,000,000
Less: Balance as and when Dominant Semiconductors Sdn Bhd shall make call(s) therefor	(9,900,000)	(14,300,000)	(9,900,000)	(14,300,000)
Unquoted shares in an associate at cost	56,100,000	51,700,000	56,100,000	51,700,000
Share of post-acquisition profit	14,141,108	6,266,023	14,141,108	6,266,023
Total investment	<u>70,241,108</u>	<u>57,966,023</u>	<u>70,241,108</u>	<u>57,966,023</u>

B8. Investment in others unquoted shares

	Current Year Quarter Ended 31 December 2007 RM	Preceding Year Ended 31 December 2006 RM
Investment in unquoted shares (outside Malaysia)		
At cost	401,400	401,400

B9. Corporate Proposals

There were no new corporate proposals by the Company during the financial year to-date.

B10. Borrowings

The Group's borrowings are as follows:

	As at 31 December 2007 RM	As at 31 December 2006 RM
Short term borrowings - unsecured:		
- bankers acceptances	16,393,000	27,551,000
- term loans	451,645	636,634
- hire purchase	29,477	116,672
	<u>16,874,122</u>	<u>28,304,306</u>
Long term borrowings		
- term loans (unsecured)	162,375	609,988
- hire purchase (secured)	-	18,996
	<u>162,375</u>	<u>628,984</u>

B11. Off Balance Sheet Financial Instruments

There were no off balance sheet arrangements entered into nor were there any off-balance sheet financial instruments issued as at the date of this report.

B12. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Group as at 20 February 2008 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

B13. Dividend Proposed

The Board of Directors of D&O is pleased to propose a first and final tax exempt dividend of 5% per share in respect of the financial year ended 31 December 2007. The said proposed dividend is subject to approval of its shareholders at the forthcoming Annual General Meeting. The dividend entitlement and payment dates respectively will be announced later.

B14. Earnings per Share

	Current Year Quarter Ended 31 December 2007	Preceding Year Corresponding Quarter Ended 31 December 2006	Current Year Ended 31 December 2007	Preceding Year Ended 31 December 2006
Weighted average number of shares outstanding	730,000,000	730,000,000	730,000,000	730,000,000
Adjustment for assumed exercise of share option	156,000	344,000	156,000	344,000
Adjusted weighted average number of shares for diluted earnings per share	730,156,000	730,344,000	730,156,000	730,344,000
Profit After Tax (RM)	5,675,827	584,737	25,767,860	14,157,767
Basic Earnings Per Share (Sen)	0.78	0.08	3.53	1.94
Diluted Earnings Per share (Sen)	0.78	0.08	3.53	1.94

a) Basic

The basic earnings per share is calculated by dividing the Group's profit attributable to shareholders by the weighted average number of ordinary shares.

b) Diluted

The diluted earnings per share is calculated by dividing the Group's profit attributable to shareholders by the adjusted weighted average number of ordinary shares.

B15. Authorisation for Issue

The Board of Directors of D&O approved this interim financial report announcement to the Bursa Securities at the Board meeting held on 25 February 2008.