

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 2007.

A2. Adoption of Revised Financial Reporting

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007 except for the adoption of the following revised Financial Reporting Standards (FRSs) and new Interpretations effective for financial periods beginning on or after 1 January 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 8	Scope of FRS 2

FRS 139 Financial Instruments: Recognition and Measurement has been deferred and has not been adopted by the Group.

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Group.

A3. Auditors’ Report on Preceding Annual Financial Statements

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

A4. Comments about Seasonal or Cyclical Factors

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

A5. 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 period to-date.

A6. Changes in Estimates

There was no change in estimates that have any material effect on the financial period -to-date results.

A7. Segmental Information

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

A7. Segmental Information (cont'd)

The revenue by geographical segment is as follows:

	Segment Revenue			
	Current	Preceding Year	Current	Preceding Year
	Quarter Ended	Corresponding	Period To-Date	Corresponding
	30 September 2008	Quarter Ended	30 September 2008	Period To-Date
	30 September 2007	30 September 2007	30 September 2007	
Malaysia	31,122,004	26,726,147	78,173,618	77,388,967
Singapore	3,076,790	3,335,891	9,471,090	9,616,194
Others	1,039,999	780,475	2,524,606	3,023,056
	<u>35,238,793</u>	<u>30,842,513</u>	<u>90,169,314</u>	<u>90,028,217</u>

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

A8. Dividend

The first and final tax-exempt dividend of 5% (tax-exempt) on the par value per ordinary share amounting to RM3,650,000 for the financial year ended 31 December 2007 (2006: 3% tax exempt) was paid on 30 June 2008.

A9. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment for the current financial quarter or financial period to-date.

A10. 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 period to-date.

A11. Changes in the Composition of the Group

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

A12. Discontinued Operation

There were no discontinued operations in the current quarter.

A13. Capital Commitment

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

	As at	As at
	30 September 2008	30 September 2007
	RM	RM
Property, Plant and Equipment	<u>3,903,765</u>	<u>6,715,827</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

A14. Financial Commitment

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

	As at 30 September 2008 RM	As at 30 September 2007 RM
Uncalled Balance in the Investment in an Associate	<u>9,900,000</u>	<u>9,900,000</u>

A15. Changes in Contingent Liabilities or Contingent Assets

As at 30 September 2008, the Company provided a total of RM39.25 million of corporate guarantees to financial institutions for all unsecured credit facilities granted to its wholly-owned subsidiary, Omega Semiconductor Sdn. Bhd.

A16. Subsequent Events

There were no other material events subsequent to the current financial quarter ended 30 September 2008.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

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

B1. Performance Review

The Group recorded revenue of RM35.24 million and RM90.17 million, profit before taxation (PBT) of RM4.53 million and RM14.16 million, and profit after taxation (PAT) of RM3.58 million and RM12.48 million for the current quarter and financial period to-date ended 30 September 2008 respectively.

Revenue for the current quarter showed an increased of RM4.40 million or 14.25 percent over that preceding quarter mainly due to higher order from lamps products.

Lower PBT was primarily due to lower share of profit from the associated company. The contribution from the associated company of RM0.88 million losses as compared to a profit of RM1.94 million in the preceding year corresponding quarter was due to slow down in Korea automotive, handphone market and lower margin due to price erosion.

B2. Comment on Material Changes in Profit Before Taxation

The Group's PBT for the current quarter ended 30 September 2008 of RM4.53 million was lower than the previous quarter ended 30 June 2008 by RM1.03 million or 18.6 percent despite higher revenue.

The decrease in PBT was primarily due to the loss incurred at the associated company.

B3. Commentary on Prospects

The Group foresees that the financial performance for the forthcoming quarter will be less favourable than the current quarter under review given the recent world economy slow down and the financial turmoil. Revenue is likely to be impacted, especially from Lamp products, as soft orders from customers are already happening starting in October 2008.

The management will take every measure now to embark in spending control and cost cutting to ensure minimum impact to its financial performance in quarters to come. Continue to drive from multi products Discrete Division by expanding its customer base.

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

	(Restated)		(Restated)	
	Preceding Year		Preceding Year	
	Quarter Ended 30 September 2008	Quarter Ended 30 September 2007	Period To-Date 30 September 2008	Period To-Date 30 September 2007
	RM	RM	RM	RM
Current taxation - Ordinary Activities	411,795	160,086	1,088,966	1,097,662
Deferred taxation	535,666	128,989	596,051	412,960
	947,461	289,075	1,685,017	1,510,622
(Over) / under provision in previous financial period	-	-	-	-
	947,461	289,075	1,685,017	1,510,622

The Group's effective tax rate for the current financial quarter and financial period 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 THIRD QUARTER ENDED 30 SEPTEMBER 2008

B6. Quoted Securities

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

	Current Year Quarter Ended 30 September 2008 RM	Preceding Year Quarter Ended 30 September 2007 RM	Current Period To-Date 30 September 2008 RM	Preceding Period To-Date 30 September 2007 RM
At cost:				
Opening balance	4,361,941	4,017,295	4,361,941	4,017,295
Add:				
Purchases	-	344,646	-	344,646
Closing balance	4,361,941	4,361,941	4,361,941	4,361,941
At market value	4,322,532	6,432,103	4,322,532	6,432,103

ii) Details of investments in quoted securities:

	As at 30 September 2008 RM	As at 31 December 2007 RM
At cost	4,361,941	4,361,941
At market value	4,322,532	6,478,523

B7. Unquoted Investments and/or Properties

There was no sale of properties for the current quarter and financial period to-date. The movement of unquoted securities for the Group during the current financial quarter and financial period to-date is as follows:

Investment in an associate

	Current Year Quarter Ended 30 September 2008 RM	Preceding Year Quarter Ended 30 September 2007 RM	Current Period To- Date 30 September 2008 RM	Preceding Period To- Date 30 September 2007 RM
Investment in an associate - Dominant Semiconductors Sdn Bhd				
Opening balance	56,100,000	51,700,000	56,100,000	51,700,000
Called during the period	-	4,400,000	-	4,400,000
Total at cost	56,100,000	56,100,000	56,100,000	56,100,000
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)	(9,900,000)	(9,900,000)	(9,900,000)
Unquoted shares in an associate at cost	56,100,000	56,100,000	56,100,000	56,100,000
Share of post-acquisition profit	14,322,182	12,913,885	14,322,182	12,913,885
Total investment	70,422,182	69,013,885	70,422,182	69,013,885

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

B8. Investment in others unquoted shares

	Current Year Quarter Ended 30 September 2008 RM	Preceding Year Quarter Ended 30 September 2007 RM
Investment in unquoted shares (outside Malaysia)		
At cost	401,400	401,400

B9. Corporate Proposals

On 18 August 2008 the Board of Directors of D & O Ventures Berhad (“D&O”) announced in Bursa Malaysia that Omega Semiconductor Sdn Bhd (“Omega”), a wholly owned subsidiary of D&O, has on 18 August 2008 entered into a joint venture agreement with AE Technologies (GD) Co., Ltd by incorporating a new company bearing the proposed name of “Aeopto Technologies Co., Ltd” in the Peoples’ Republic of China to assemble and sell lighting applications. (“Proposed Joint Venture”).

On 17 November 2008, the Board of D&O announced that the joint venture company, namely, “Aeopto Technologies Co., Ltd” was incorporated in the Peoples’ Republic of China on 12 November 2008. Notification of the incorporation was received on 14 November 2008.

B10. Borrowings

The Group’s borrowings are as follows:

	As at 30 September 2008 RM	As at 30 September 2007 RM
Short term borrowings - unsecured:		
- bankers acceptances	9,690,000	20,500,000
- term loans	-	454,702
- hire purchase	-	58,645
	<u>9,690,000</u>	<u>21,013,347</u>
Long term borrowings		
- term loans (unsecured)	-	265,299
- hire purchase (secured)	-	-
	<u>-</u>	<u>265,299</u>

B11. Off Balance Sheet Financial Instruments

There were no off balance sheets 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 21 November 2008 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

B13. Dividend Payable

No interim ordinary dividend has been declared for the financial period ended 30 September 2008 (30 September 2007: Nil).

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

B14. Earnings per Share

	Current Year Quarter Ended 30 September 2008	(Restated) Preceding Year Corresponding Quarter Ended 30 September 2007	Current Period To-Date 30 September 2008	(Restated) Preceding Year Corresponding Period To-Date 30 September 2007
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	-	-	-	-
Adjusted weighted average number of shares for diluted earnings per share	730,000,000	730,000,000	730,000,000	730,000,000
Profit After Tax (RM)	3,583,160	7,243,005	12,476,008	20,092,033
Basic Earnings Per Share (Sen)	0.49	0.99	1.71	2.75
Diluted Earnings Per share (Sen)	0.49	0.99	1.71	2.75

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 24 November 2008.