

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 relevant 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. The adoption of these standards only impacts the form and content of the disclosures presented in the financial statements.

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 year to-date.

A6. Changes in Estimates

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

A7. Segmental Information

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

A7. Segmental Information (cont'd)

The revenue by geographical segment is as follows:

	Segmental Revenue			
	Current	Preceding Year	Current	Preceding Year
	Quarter Ended	Corresponding	Year To-Date	Corresponding
	31 December 2008	Quarter Ended	31 December 2008	Year To-Date
	31 December 2007	31 December 2007	31 December 2007	
Malaysia	15,880,512	28,576,771	104,224,222	105,965,738
Others	2,221,513	3,293,249	4,047,117	15,932,499
	<u>18,102,025</u>	<u>31,870,020</u>	<u>108,271,339</u>	<u>121,898,237</u>

Segmental Results

	Segmental Results	
	Current	Preceding Year
	Year To-Date	Corresponding
	31 December 2008	Year To-Date
	31 December 2007	
Malaysia	13,329,678	23,429,216
Others	511,057	2,338,644
	<u>13,840,735</u>	<u>25,767,860</u>

Segmental Assets

	Segmental Assets	
	As at	As at
	31 December 2008	31 December 2007
Malaysia	293,649,164	208,689,260
Korea	9,544,437	-
China	4,376,131	-
Others	1,119,862	-
	<u>308,689,594</u>	<u>208,689,260</u>

Segmental Liabilities

	Segmental Liabilities	
	As at	As at
	31 December 2008	31 December 2007
Malaysia	80,727,936	40,153,284
Korea	487,085	-
China	638,795	-
Others	2,336,520	-
	<u>84,190,336</u>	<u>40,153,284</u>

Segmental Capital Expenditure

	Segmental Capital Expenditure	
	Current	Preceding Year
	Year To-Date	Corresponding
	31 December 2008	Year To-Date
	31 December 2007	
Malaysia	7,277,031	10,146,007
China	978,013	-
	<u>8,255,044</u>	<u>10,146,007</u>

A8. Dividend

The first and final tax-exempt dividend of 5% 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 year to-date.

A10. Debt and Equity Securities

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

A11. Changes in the Composition of the Group

The changes in the composition of the Group are as follows:

1. On 12 November 2008, Aeopto Technologies Co., Ltd (“Aeopto”) was incorporated and notification of the incorporation was received on 14 November 2008. Omega Semiconductor Sdn Bhd (“Omega”), a wholly-owned subsidiary of D & O Ventures Berhad (“D&O” or “the Company) and AE Technologies (GD) Co., Ltd, (“AE”) respectively shall subscribe for 51% and 49% of the registered capital of Aeopto.
2. On 31 December 2008, Omega increased its equity interest in Dominant Semiconductors Sdn Bhd (“Dominant”) from 49.66% to 57.34% by acquiring an additional 3,400,000 ordinary shares of Dominant. Dominant therefore became a subsidiary of D&O Group on 31 December 2008.

Details of the subsidiaries are as follows:-

Name of Company	Country of incorporation	Equity Interest		Principal Activities
		2008 %	2007 %	
Omega Semiconductor Sdn. Bhd. (“OSSB”)	Malaysia	100.00	100.00	Provide “full turnkey” contract manufacturing of semiconductor components.
Omega Semiconductor Technology Sdn. Bhd. (“OSTSB”)	Malaysia	100.00	100.00	Dormant.
Omega Photonics Packaging Sdn. Bhd. (“OPPSB”) *	Malaysia	51.00	51.00	Dormant.
Aeopto Technologies Co., Ltd **	The People’s Republic of China	51.00	-	Involved in the business of research and development of semiconductor application technologies; Manufacture, sales and assembling of semiconductor electronic and electrical component; LED lighting illumination and display application and module.
Dominant Semiconductors Sdn. Bhd. (“Dominant”) **	Malaysia	57.34	49.66	Manufacturing of semiconductor components and machineries.
Malaysia Dominant Semiconductors Sdn. Bhd. Shanghai Representative Office ***	The People’s Republic of China	100.00	100.00	Introduction and sales coordination for products manufactured by headquarters.
Dominant Semiconductors ShenZhen Co. Ltd ***	The People’s Republic of China	100.00	100.00	Dormant.
Dominant Semiconductors (Europe GmbH) ****	Germany	85.00	85.00	Merchandising semiconductors components

A11. Changes in the Composition of the Group (cond't)

Name of Company	Country of incorporation	Equity Interest		Principal Activities	
		2008 %	2007 %		
Dominant Semiconductors Korea Inc ***	Korea	68.00	68.00	Merchandising components	semiconductors
Domilight Technologies Sdn. Bhd. ***	Malaysia	54.00	50.00	Dormant	

* Held through OSTSB.
 ** Held through OSSB
 *** Held through Dominant

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 31 December 2008 RM	As at 31 December 2007 RM
Property, Plant and Equipment	6,119,297	7,279,785

A14. Changes in Contingent Liabilities or Contingent Assets

As at 31 December 2008, the Company provided a total of RM39.25 million of corporate guarantees to financial institutions for 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 2008.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

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

B1. Performance Review

The Group recorded revenue of RM18.10 million and RM108.27 million, profit before taxation (PBT) of RM1.79 million and RM15.95 million, and profit after taxation (PAT) of RM1.36 million and RM13.84 million for the current quarter and financial year ended 31 December 2008 respectively.

Revenue for the current quarter showed a decrease of RM13.77 million or 43.20 percent when compared to the preceding quarter due mainly to lower order of lamps products.

B2. Comment on Material Changes in Profit Before Taxation

The Group's PBT for the current quarter ended 31 December 2008 of RM1.79 million was lower than the previous quarter ended 30 September 2008 by RM2.74 million or 60.48 percent due mainly to lower order of lamps products.

B3. Commentary on Prospects

The current global economic downturn has adversely affected semiconductor sales worldwide. In line with global trends, the Group's financial performance was negatively impacted in the last quarter of 2008 when orders for LED products declined sharply. Customers orders are expected to remain soft in the first half of 2009 and stage a slow recovery in the second half. In order to weather the rapid decline in revenue, management has taken drastic actions since October 2008 which included downsizing and restructuring of headcount and capacity; reducing overtime; shutting down non utilized capacity and cutting overhead expenses.

The Board of Directors is optimistic that the Group's recent acquisition of Dominant as a subsidiary and the incorporation of Aeopto joint venture in China will contribute positively to the group results and help cushion the impact of economic downturn on its financial performance in 2009.

Omega has in the past generally provided assembly, test and packaging services under contract manufacturing arrangements with MNCs. Management believes that this business model cannot be sustained in the long term and has over the last few years been expanding its own R&D and manufacturing capabilities. Omega has started to phase out these contract manufacturing arrangements and from now on, will concentrate on supplying customers directly as an Original Design Manufacturer.

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

	Current	(Restated) Preceding Year	Current	(Restated) Preceding Year
	Quarter Ended 31 December 2008	Quarter Ended 31 December 2007	Year To-Date 31 December 2008	Year To-Date 31 December 2007
	RM	RM	RM	RM
Current taxation - Ordinary Activities	(32,866)	365,657	1,056,100	1,584,816
Deferred taxation	458,415	682,241	1,054,466	1,095,201
	425,549	1,047,898	2,110,566	2,680,017
(Over) / under provision in previous financial period	-	(11,046)	-	(132,543)
	425,549	1,036,852	2,110,566	2,547,474

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 FOURTH QUARTER ENDED 31 DECEMBER 2008

B6. Quoted Securities

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

	Current Year Quarter Ended 31 December 2008	Preceding Year Quarter Ended 31 December 2007	Current Year To- Date 31 December 2008	Preceding Year To-Date 31 December 2007
	RM	RM	RM	RM
At cost:				
Opening balance	4,361,941	4,361,941	4,361,941	4,017,295
Add:				
Purchases	-	-	-	344,646
Closing balance	4,361,941	4,361,941	4,361,941	4,361,941
At market value	3,762,513	6,478,523	3,762,513	6,478,523

ii) Details of investments in quoted securities:

	As at 31 December 2008	As at 31 December 2007
	RM	RM
At cost	4,361,941	4,361,941
At market value	3,762,513	6,478,523

B7. Unquoted Investments and/or Properties

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

Investment in an associate

	Current Year Quarter Ended	Preceding Year Quarter Ended	Current Year To-Date	Preceding Year To- Date 31 December
	31 December 2008	31 December 2007	31 December 2008	2007
	RM	RM	RM	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: Uncalled balance	(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	14,309,696	14,141,108	14,309,696	14,141,108
At the end of the financial year	70,409,696	70,241,108	70,409,696	70,241,108
Transfer to subsidiaries	(70,409,696)	-	(70,409,696)	-
Total investment	-	70,241,108	-	70,241,108

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

B7. Unquoted Investments and/or Properties (Cond't)

The balance of RM9,900,000 or RM0.45 per Dominant Semiconductors Sdn Bhd Share shall become payable as and when Dominant Semiconductors Sdn Bhd shall call therefor in accordance with the Articles of Association of Dominant Semiconductors Sdn Bhd.

Investment in subsidiaries

	As at 31 December 2008 RM	As at 31 December 2007 RM
Dominant Semiconductors Sdn Bhd		
Investment at cost	56,100,000	-
Addition during the year	6,800,000	-
Total investment in Dominant	62,900,000	-
Aeopto Technologies Co., Ltd		
Addition during the year	2,693,960	-
Total Investment in Subsidiaries	65,593,960	-

B8. Investment in others unquoted shares

	Current Year Quarter Ended 31 December 2008 RM	Preceding Year Quarter Ended 31 December 2007 RM
Investment in unquoted shares (outside Malaysia)		
At cost	401,400	401,400

B9. Corporate Proposals

On 31 December 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 acquired from Lim Soo Kiow an additional 7.67% equity interest represented by 3,400,000 ordinary shares of RM1.00 each in Dominant Semiconductors Sdn Bhd (“Dominant”) for the total cash consideration of RM6.8 million (“the Acquisition”).

Arising from the Acquisition, Omega holds 57.34% equity interest in Dominant represented by 25,400,000 ordinary shares of RM1.00 each. Dominant therefore became a subsidiary of D&O on 31 December 2008.

B10. Borrowings

The Group’s borrowings are as follows:

	As at 31 December 2008 RM	As at 31 December 2007 RM
Short term borrowings - unsecured:		
- bankers acceptances	27,539,000	16,393,000
- term loans	1,603,702	451,645
- hire purchase	-	29,477
	29,142,702	16,874,122
Long term borrowings		
- term loans (unsecured)	5,361,065	162,375
Bank overdraft	12,482,642	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

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

Osram GmbH has filed a patent infringement suit against Dominant Semiconductors Sdn. Bhd. before the Regional Court of Mannheim in Germany. Dominant contends that it has not infringed any patents as alleged and has engaged legal counsel to defend and to nullify the patents involved. There is no monetary claim in the suit.

Dominant has filed a legal suit in the High Court of Malaysia against Osram GmbH, Osram Opto Semiconductors GmbH and Osram Opto Semiconductors (Malaysia) Sdn. Bhd. for amongst other things, the wrongful interference with Dominant Semiconductors Sdn. Bhd.'s trade and business. This case is ongoing.

B13. Dividend Payable

The Board of Directors of D&O is pleased to propose a first and final tax exempt dividend of 3.5% per share in respect of the financial year ended 31 December 2008 (2007: 5% tax exempt). The said proposed dividend is subject to the 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 2008	(Restated) Preceding Year Corresponding Quarter Ended 31 December 2007	Current Period To-Date 31 December 2008	(Restated) Preceding Year Corresponding Period To-Date 31 December 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	<u>730,000,000</u>	<u>730,000,000</u>	<u>730,000,000</u>	<u>730,000,000</u>
Profit Attributable to Shareholders (RM)	1,396,365	5,675,827	13,872,373	25,767,860
Basic Earnings Per Share (Sen)	0.19	0.78	1.90	3.53
Diluted Earnings Per share (Sen)	0.19	0.78	1.90	3.53

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 2009.