

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 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 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	Year To-Date	Corresponding
	30 June 08	30 June 07	30 June 08	30 June 07
Malaysia	24,306,696	27,321,880	47,051,614	50,662,820
Singapore	3,773,077	2,818,350	6,394,300	6,280,303
Others	779,532	1,125,971	1,484,607	2,242,581
	<u>28,859,305</u>	<u>31,266,201</u>	<u>54,930,521</u>	<u>59,185,704</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 quarter / financial period.

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 year 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 June 08	30 June 07
	RM	RM
Property, Plant and Equipment	<u>4,985,174</u>	<u>5,481,726</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2008

A14. Financial Commitment

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

	As at 30 June 08 RM	As at 30 June 07 RM
Uncalled Balance in the Investment in an Associate	<u>9,900,000</u>	<u>14,300,000</u>

A15. Changes in Contingent Liabilities or Contingent Assets

As at 30 June 2008, the Company provided a total of RM59.05 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 June 2008.

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

B1. Performance Review

The Group recorded revenue of RM28.86 million and RM54.93 million, profit before taxation (PBT) of RM5.56 million and RM9.63 million, and profit after taxation (PAT) of RM4.88 million and RM8.89 million for the current quarter and financial year to-date ended 30 June 2008 respectively.

The quarter results show a decrease of 7.70 percent in revenue, 34.95 percent in PBT and 39.86 percent in PAT as compared to preceding year corresponding quarter.

Primarily, the reduction in the Group's profit for the current quarter was attributed to a lower share of profit from the associated company. The decrease of profit in associated company was due to the reduction in demand in Korea market in line with soft order in worldwide handphone segment.

B2. Comment on Material Changes in Profit Before Taxation

The financial performance of the Group for the current quarter ended 30 June 2008 was better compared to that of previous quarter ended 31 March 2008. The Group's PBT of RM5.56 million represents an increase of RM1.50 million or 36.87 percent.

The improved PBT was the result of an increase turnover of RM 2.79 million primarily from the Group's Discrete Division coupled with higher contribution of profit from associated company due to higher margin from better sales mix.

B3. Commentary on Prospects

The Group will continue to drive revenue from its multi products Discrete Division which is growing at an average of 17 percent for the last two quarters. Some New Product Introduction (NPI) has been targeted and discussion with potential customers in progress.

The management is of the opinion that its financial performance for the forthcoming quarter will be better than the current quarter under review.

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	Quarter Ended	Year To-Date
30 June 08	30 June 07	30 June 08
RM	RM	RM
Current taxation - Ordinary Activities	344,232	574,305
Deferred taxation	344,103	(127,643)
	688,335	446,662
(Over) / under provision in previous financial period	-	-
	688,335	446,662
	737,556	1,221,547

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 SECOND QUARTER ENDED 30 JUNE 2008

B6. Quoted Securities

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

	Current Year Quarter Ended 30 June 08 RM	Preceding Year Quarter Ended 30 June 07 RM	Current Year To-Date 30 June 08 RM	Preceding Year To-Date 30 June 07 RM
At cost:				
Opening balance	4,361,941	4,017,295	4,361,941	4,017,295
Add:				
Purchases	-	-	-	-
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>5,192,702</u>	<u>6,423,644</u>	<u>5,192,702</u>	<u>6,423,644</u>

ii) Details of investments in quoted securities:

	As at 30 June 08 RM	As at 31 December 07 RM
At cost	<u>4,361,941</u>	<u>4,361,941</u>
At market value	<u>5,192,702</u>	<u>6,478,523</u>

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 is as follows:

Investment in an associate

	Current Year Quarter Ended 30 June 08 RM	Preceding Year Quarter Ended 30 June 07 RM	Current Year To-Date 30 June 08 RM	Preceding Year To-Date 30 June 07 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	-	-	-	-
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	15,199,060	10,972,033	15,199,060	10,972,033
Total investment	<u>71,299,060</u>	<u>62,672,033</u>	<u>71,299,060</u>	<u>62,672,033</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2008

B8. Investment in others unquoted shares

	Current Year Quarter Ended 30 June 08 RM	Current Year To-Date 30 June 07 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 30 June 08 RM	As at 30 June 07 RM
Short term borrowings - unsecured:		
- bankers acceptances	11,430,000	23,397,000
- term loans	394,236	455,910
- hire purchase	-	77,332
	<u>11,824,236</u>	<u>23,920,242</u>
Long term borrowings		
- term loans (unsecured)	-	378,637
- hire purchase (secured)	-	-
	<u>-</u>	<u>378,637</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 22 August 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 June 2008 (30 June 2007: Nil).

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2008

B14. Earnings per Share

	Current Year Quarter Ended 30 June 08	(Restated) Preceding Year Corresponding Quarter Ended 30 June 07	Current Year To-Date 30 June 08	(Restated) Preceding Year Corresponding Period To-Date 30 June 07
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)	4,876,429	8,108,210	8,892,848	12,849,028
Basic Earnings Per Share (Sen)	0.67	1.11	1.22	1.76
Diluted Earnings Per share (Sen)	0.67	1.11	1.22	1.76

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 27 August 2008.