

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 2008.

A2. Adoption of Revised Financial Reporting

This interim report is prepared in accordance with Financial Reporting Standards (“FRS”) No. 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Bursa Malaysia Listing Requirements, and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2008.

The significant accounting policies and presentation applied in the interim financial report are consistent with those adopted for the annual financial statements for the year ended 31 December 2008.

The Group has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective:

- (i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

FRS 8 Operating Segments

FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting and requires a “management approach”, under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group.

- (ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

FRS 4 Insurance Contracts
FRS 7 Financial Instruments: Disclosures
FRS 139 Financial Instruments: Recognition and Measurement

FRS 4 is not relevant to the Group’s operations. The possible impacts of applying FRS 7 and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

- (iii) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

IC Interpretation 9 Reassessment of Embedded Derivatives
IC Interpretation 10 Interim Financial Reporting and Impairment

IC Interpretation 9 is not relevant to the Group’s operations. IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

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 operates primarily in the semiconductor industry.

The revenue by geographical segment is as follows:

	Malaysia	Korea	Others	Group
	RM	RM	RM	RM
31 March 2009				
Revenue	15,261,767	4,340,805	8,305,749	27,908,321
Segment assets	288,805,422	5,668,206	6,918,679	301,392,307
Capital expenditure	2,490,338	143,478	625,870	3,259,686
	<hr/>	<hr/>	<hr/>	<hr/>
	Malaysia	Korea	Others	Group
	RM	RM	RM	RM
31 March 2008				
Revenue	25,366,141	-	705,075	26,071,216
Segment assets	208,553,411	-	-	208,553,411
Capital expenditure	2,067,208	-	-	2,067,208
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A8. Dividend

At the forthcoming annual general meeting, the directors have recommended the payment of a first and final tax-exempt dividend of 0.35 sen on the par value per ordinary share amounting to RM2,555,000 for shareholders' approval in respect of the financial year 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 period 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 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

A13. Capital Commitment

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

	As at 31 March 2009 RM	As at 31 March 2008 RM
Property, Plant and Equipment	<u>5,248,909</u>	<u>5,388,703</u>

A14. Changes in Contingent Liabilities or Contingent Assets

As at 31 March 2009, 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 March 2009.

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

B1. Review of Performance of the Company And Its Principal Subsidiaries

The financial statements of the Group during the first quarter of 2009 included the first time consolidation of the result of Dominant Semiconductors Sdn. Bhd (hereinafter referred as “Dominant”). Dominant became a 57.34% subsidiary as at 31 December 2008 through the acquisition of additional equity interest of 7.68%.

In the first quarter of 2009, The Group recorded revenue of RM27.91 million and net profit of RM1.29 million. Net profit decreased 68% compared to the corresponding period last year due to a significant drop in sales which resulted from the economic downturn.

B2. Material Changes In The Quarterly Result As Compared To The Result of The Previous Quarter

The preceding quarter results excluded the full consolidation of Dominant’s result. Net profit in the first quarter of 2009 remained relatively flat when compared to the preceding quarter as the economic crisis had taken its toll on sales since October 2008.

B3. Prospect For The Current Financial Year

The business environment will continue to remain challenging over the financial year of 2009. Customers’ orders are expected to remain soft in the first half of 2009 and stage a slow recovery in the second half. Management has taken drastic actions since October 2008 which included rightsizing and restructuring of headcount and capacity; reducing overtime and shutting down non utilized capacity.

B4. Profit Forecast or Profit Guarantee

The Group does not provide any profit forecast or profit guarantee.

B5. Income Tax Expense

	Current Quarter Ended 31 March 2009	Preceding Year Quarter Ended 31 March 2008	Current Year To-Date 31 March 2009	Preceding Year Year To-Date 31 March 2008
	RM	RM	RM	RM
Current taxation - Ordinary Activities	14,133	332,939	14,133	332,939
Deferred taxation	-	(283,718)	-	(283,718)
	14,133	49,221	14,133	49,221
(Over)/ under provision in previous Financial period	-	-	-	-
	14,133	49,221	14,133	49,221

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.

Dominant Semiconductors Sdn Bhd has been granted pioneer status in 2002. The pioneer status which expired in 2007 was extended to 2017.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

B6. Quoted Securities

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

	Current Year Quarter Ended 31 March 2009 RM	Preceding Year Quarter Ended 31 March 2008 RM	Current Year To-Date 31 March 2009 RM	Preceding Year To-Date 31 March 2008 RM
At cost:				
Opening balance	4,361,941	4,361,941	4,361,941	4,361,941
Add:				
Purchases	-	-	-	-
Closing balance	<u>4,361,941</u>	<u>4,361,941</u>	<u>4,361,941</u>	<u>4,361,941</u>
At market value	<u>3,415,289</u>	<u>5,418,157</u>	<u>3,415,289</u>	<u>5,418,157</u>

ii) Details of investments in quoted securities:

	As at 31 March 2009 RM	As at 31 December 2008 RM
At cost	<u>4,361,941</u>	<u>4,361,941</u>
At market value	<u>3,415,289</u>	<u>3,762,513</u>

B7. Unquoted Investments and/or Properties

There was no sale of unquoted shares and /or properties for the current quarter and financial year to-date.

B8. Investment in others unquoted shares

	Current Year Quarter Ended 31 March 2009 RM	Preceding Year Quarter Ended 31 March 2008 RM
Investment in unquoted shares (outside Malaysia)		
At cost	<u>401,400</u>	<u>401,400</u>

B9. Corporate Proposals

On 8 May 2009, 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 had subscribed for 5,100 ordinary shares of HK\$1.00 each in AEopto Technologies (HK) Company Limited (“AEopto HK”), representing 51% of the issued and paid-up share capital of AEopto HK, for a cash consideration of HK\$5,100 equivalent to approximately RM2,398 (“Subscription”).

AEopto HK is a private limited company incorporated in Hong Kong and is an investment holding company that principally invests in semiconductor business in China. The enlarged issued and paid-up share capital is HK\$10,000 comprising 10,000 ordinary shares of HK\$1.00 each.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

B10. Borrowings

The Group's borrowings are as follows:

	As at 31 March 2009 RM	As at 31 March 2008 RM
Short term borrowings - unsecured:		
- bankers acceptances	13,120,000	16,393,000
- term loans	2,945,037	451,645
- hire purchase	-	29,477
	<u>16,065,037</u>	<u>16,874,122</u>
Long term borrowings		
- term loans (unsecured)	<u>10,884,116</u>	<u>162,375</u>
Bank overdraft	<u>6,314,521</u>	<u>-</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

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

No Interim ordinary dividend has been declared for the financial period ended 31 March 2009

B14. Earnings per Share

	Current Year Quarter Ended 31 March 2009	Preceding Year Corresponding Quarter Ended 31 March 2008	Current Year To-Date 31 March 2009	Preceding Year Corresponding Year To-Date 31 March 2008
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)	1,285,015	4,016,419	1,285,015	4,016,419
Basic Earnings Per Share (Sen)	0.18	0.55	0.18	0.55
Diluted Earnings Per share (Sen)	0.18	0.55	0.18	0.55

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

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 28 May 2009.