

**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 114<sub>2004</sub> 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 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment-Vesting Conditions and Cancellations
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

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.

The adoption of the other FRSs is not expected to have any significant impact on the financial statements of the Group upon initial application.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2009**

**A2. Adoption of Revised Financial Reporting (cond't)**

(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 11	Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programs
IC Interpretation 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IC Interpretation 9, 13 and 14 are 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.

The adoption of the other interpretations 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.

**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:

<b>Current Year</b>	<b>Malaysia</b>	<b>Korea</b>	<b>Others</b>	<b>Group</b>
<b>Year-To-Date</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>30 June 2009</b>				
Revenue	29,398,302	9,089,906	25,651,235	64,139,443
Segment assets	287,452,824	10,431,944	6,737,614	304,622,382
Capital expenditure	5,683,154	226,602	1,241,617	7,151,373
	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
<b>Preceding Year</b>	<b>Malaysia</b>	<b>Korea</b>	<b>Others</b>	<b>Group</b>
<b>Corresponding</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Year-To-Date</b>				
<b>30 June 2008</b>				
Revenue	47,051,614	-	7,878,907	54,930,521
Segment assets	207,991,740	-	-	207,991,740
Capital expenditure	4,753,662	-	-	4,753,662
	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2009**

**A8. Dividend**

The first and final tax-exempt dividend of 3.5% on the par value per ordinary share amounting to RM2,555,000 for the financial year ended 31 December 2008 (2007: 5% tax-exempt) was approved by shareholders on 23 June 2009 and paid on 31 July 2009.

**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**

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.

**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:

	<b>As at 30 June 2009 RM</b>	<b>As at 31 December 2008 RM</b>
Property, Plant and Equipment	<u>5,843,248</u>	<u>6,119,297</u>

**A14. Changes in Contingent Liabilities or Contingent Assets**

As at 30 June 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 30 June 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 in the first half of 2009 included the first time consolidation of the results 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 second quarter of 2009, the Group recorded revenue of RM36.23 million and a net profit of RM1.47 million. Net profit declined 69.79% from RM4.88 million in the corresponding period last year mainly due to slower sales and margin pressure resulted from the economic downturn.

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

When compared to the preceding quarter, revenue in the second quarter rose 29.82% to RM36.23 million, while net profit increased 14.63% to RM1.47 million. The quarter-on-quarter earnings improvements largely reflect a gradually improving operating environment.

**B3. Prospect For The Current Financial Year**

While the general business environment will likely remain challenging in the second half of this year, the Group expects sales growth momentum to pick up speed in the remaining two quarters as a result of stronger global demand for LED components in the general lighting and TV BLU (backlight unit) applications. In fact, capacity expansion is currently underway for our PLCC products to capitalise on the growing demand of LED in these two segments.

**B4. Profit Forecast or Profit Guarantee**

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

**B5. Income Tax Expense**

	<b>Current Quarter Ended</b>	<b>Preceding Year Quarter Ended</b>	<b>As At</b>	<b>As At</b>
	<b>30 June 2009</b>	<b>30 June 2008</b>	<b>30 June 2009</b>	<b>31 December 2008</b>
	RM	RM	RM	RM
Current taxation - Ordinary Activities	82,509	344,232	96,642	1,056,100
Deferred taxation	-	344,103	-	1,054,466
	82,509	688,335	96,642	2,110,566
(Over)/ under provision in previous Financial period	-	-	-	-
	82,509	688,335	96,642	2,110,566

The Group’s effective tax rate for the current financial quarter and financial period to-date was higher than the statutory tax rate mainly due to the losses generated by some of its subsidiaries.

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 SECOND QUARTER ENDED 30 JUNE 2009**

**B6. Quoted Securities**

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

	<b>Current Year Quarter Ended</b>	<b>Preceding Year Quarter Ended</b>	<b>As at</b>	<b>As at</b>
	<b>30 June 2009</b>	<b>30 June 2008</b>	<b>30 June 2009</b>	<b>31 December 2008</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>At cost:</b>				
Opening balance	4,361,941	4,361,941	4,361,941	4,361,941
Add/(Less):				
Purchases	45,601,847	-	45,601,847	-
Disposals	(7,772,853)	-	(7,772,853)	-
Closing balance	<u>42,190,935</u>	<u>4,361,941</u>	<u>42,190,935</u>	<u>4,361,941</u>
At market value	<u>44,513,395</u>	<u>5,192,702</u>	<u>44,513,395</u>	<u>3,762,513</u>

ii) Details of investments in quoted securities:

	<b>As at 30 June 2009</b>	<b>As at 31 December 2008</b>
	<b>RM</b>	<b>RM</b>
At cost	<u>42,190,935</u>	<u>4,361,941</u>
At market value	<u>44,513,395</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**

	<b>As At 30 June 2009</b>	<b>As At 31 December 2008</b>
	<b>RM</b>	<b>RM</b>
Investment in unquoted shares (outside Malaysia)		
At cost	<u>2,574,667</u>	<u>2,574,667</u>

**B9. Corporate Proposals**

The Board of D & O Ventures Berhad (“D&O”) announced on 13 July 2009 that Omega Semiconductor Sdn Bhd (“Omega”), a wholly owned subsidiary of D&O had on 10 July 2009 paid RM2.2million or RM0.10 being the final call payment per Dominant Semiconductors Sdn Bhd (“Dominant”) Shares.

In addition, on 20 July 2009, the Board of Directors announced in Bursa Malaysia that Omega had on 17 July 2009 diluted its equity interest from 57.34% to 51.31% in Dominant arising from the allotment of 5,200,000 new ordinary shares of RM1.00 each of Dominant to Gold Zest Holding Invest Ltd, a company incorporated in British Virgin Islands (“Gold Zest”).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2009**

**B10. Borrowings**

The Group's borrowings are as follows:

	<b>As at 30 June 2009 RM</b>	<b>As at 31 December 2008 RM</b>
Short term borrowings - unsecured:		
- bankers acceptances	13,728,000	27,539,000
- term loans	4,151,461	1,603,702
- hire purchase	-	-
	<u>17,879,461</u>	<u>29,142,702</u>
Long term borrowings		
- term loans (unsecured)	<u>8,938,132</u>	<u>5,361,065</u>
Bank overdraft	<u>6,981,257</u>	<u>12,482,642</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 30 June 2009.

**B14. Earnings per Share**

	<b>Current Year Quarter Ended</b>	<b>Preceding Year Corresponding Quarter Ended</b>	<b>As At</b>	<b>As At</b>
	<b>30 June 2009</b>	<b>30 June 2008</b>	<b>30 June 2009</b>	<b>31 December 2008</b>
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)	1,472,967	4,876,429	2,757,980	13,872,373
Basic Earnings Per Share (Sen)	0.20	0.67	0.38	1.90
Diluted Earnings Per share (Sen)	0.20	0.67	0.38	1.90

**B14. Earnings per Share (cond't)**

**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 August 2009.

**B16. Reclassification**

Some of the comparative figures in the balance sheet have been reclassified to conform to current quarter's presentations.