

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) 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
FRS 101	Presentation of Financial Statements
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
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
Amendments to FRSs contained in the document entitled “Improvements to FRSs (2009)”	

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.

FRS 101 replaces FRS 101 (revised in 2005) as amended in 2008. FRS 101 affects the presentation of owner changes in equity and of comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

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 THIRD QUARTER ENDED 30 SEPTEMBER 2009

A2. Adoption of Revised Financial Reporting (cont'd)

(ii) 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:

Current Year	Asia	Europe	USA	Others	Group
Year-To-Date	RM	RM	RM	RM	RM
30 September 2009					
Revenue	90,258,343	9,110,453	7,814,528	346,903	107,530,227
Segment assets	346,906,881	1,552,814	-	-	348,459,695
Capital expenditure	15,736,148	17,312	-	-	15,753,460
	_____	_____	_____	_____	_____
Preceding Year	Asia	Europe	USA	Others	Group
Year-To-Date	RM	RM	RM	RM	RM
30 September 2008					
Revenue	89,454,857	114,659	599,798	-	90,169,314
Segment assets	230,897,976	-	-	-	230,897,976
Capital expenditure	6,042,372	-	-	-	6,042,372
	_____	_____	_____	_____	_____

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

A8. Dividend

The first and final tax-exempt dividend of 3.5% on the par value per ordinary share of 10 sen 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 20 July 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, had on 17 July 2009 diluted its equity interest from 57.34% to 51.31% in Dominant Semiconductors Sdn Bhd (“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”).

A12. Discontinued Operation

There were no discontinued operations in the current quarter.

A13. Capital Commitment

Capital commitment contracted or approved by the Board but not provided for in the financial statements:

	As at 30 September 2009 RM
Contracted	7,932,754
Not contracted	9,652,822
	<hr/> 17,585,576 <hr/>

A14. Changes in Contingent Liabilities or Contingent Assets

As at 30 September 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 September 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 9 months 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%.

The interest in Dominant was subsequently reduced to 51.31% on 17 July 2009 following the additional shares issued by Dominant to a third party.

In the third quarter of 2009, the Group recorded revenue of RM43.39 million and a net profit of RM3.19 million. Net profit declined 10.89% from RM3.58 million in the corresponding period last year mainly due to slower sales and margin pressure resulting 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 third quarter increased 19.76% to RM43.39 million, and net profit increased 117.01% to RM3.19 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 fourth quarter this year, the Group expects sales to grow in the remaining quarter as a result of stronger global demand for LED components in the general lighting and TV BLU (backlight unit) applications. Besides, in order to cater for the growing demand of LED in these two segments, further capacity expansion is currently underway.

B4. Profit Forecast or Profit Guarantee

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

B5. Income Tax Expense

	Current Quarter Ended 30 September 2009	Period Ended 30 September 2009
	RM	RM
Current taxation - Ordinary Activities	12,815	109,457
Deferred taxation	-	-
	<u>12,815</u>	<u>109,457</u>
(Over)/ under provision in previous Financial period	-	-
	<u>12,815</u>	<u>109,457</u>

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 losses incurred in several subsidiaries and non-taxable investment income.

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

B6. Quoted Securities

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

	Current Quarter Ended 30 September 2009	Period Ended 30 September 2009
	RM	RM
i) Acquisition of quoted investments		
Purchases consideration	47,064,077	92,665,924
ii) Disposal of quoted investments		
Sale proceeds	58,041,222	66,576,020
Cost of quoted securities disposed	44,894,702	52,667,556
Gain on disposal	13,146,520	13,908,464

b) Details of investments in quoted securities as at 30 September 2009:

	Cost RM	Book Value RM	Market Value RM
Quoted in Malaysia	7,578,679	7,578,679	8,383,331
Quoted outside Malaysia	36,781,630	36,781,630	38,487,507
	44,360,309	44,360,309	46,870,838

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

	As at 30 September 2009	As at 31 December 2008
	RM	RM
Investment in unquoted shares (outside Malaysia)		
At cost	3,269,515	2,574,667

B9. Corporate Proposals

The Board of D & O Ventures Berhad (“D&O”) announced on 8 October 2009 that Dominant Semiconductors Sdn Bhd (“Dominant”), a 51.31% owned subsidiary via Omega Semiconductor Sdn Bhd (Omega Semiconductor Sdn Bhd is a wholly owned subsidiary of the Company), had on 8 October 2009 incorporated a wholly owned subsidiary, namely Dominant Semiconductors (Singapore) Pte Ltd (“Dominant Singapore”). Dominant Singapore is a private limited company incorporated in Singapore and its intended principal activity is investment holding.

In addition, on 16 October 2009, the Board of Directors announced in Bursa Malaysia that Omega Semiconductor Sdn Bhd (“Omega”), a 100% owned subsidiary of D&O, had on 16 October 2009 acquired one (1) fully paid share of US\$1.00 each representing 100% of the issued and paid-up of Equity Group Investments Limited (“EGIL”) from Mega First Mining Sdn Bhd (“MFM”) for the cash consideration of US\$1.00 only (“the Acquisition”). The principal activity of EGIL is investment holding.

B10. Borrowings

The Group’s borrowings are as follows:

	As at 30 September 2009 RM
Short term borrowings	
Unsecured denominated in:	
- Ringgit Malaysia	11,567,646
- US Dollar (USD515,470)	1,820,733
	<u>13,388,379</u>
Long term borrowings	
Unsecured denominated in:	
- Ringgit Malaysia	<u>8,110,121</u>
Bank Overdraft	<u>15,898,579</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 dividend has been declared for the financial period ended 30 September 2009.

B14. Earnings per Share

	Current Year Quarter Ended 30 September 2009	Preceding Year Corresponding Quarter Ended 30 September 2008	As at 30 September 2009	As at 31 December 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	730,000,000	730,000,000	730,000,000	730,000,000
Profit Attributable to Shareholders (RM)	3,189,228	3,583,160	5,947,208	13,872,373
Basic Earnings Per Share (Sen)	0.44	0.49	0.81	1.90
Diluted Earnings Per share (Sen)	0.44	0.49	0.81	1.90

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 interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 19 November 2009.