

**D & O GREEN TECHNOLOGIES BERHAD**

(Formerly Known As D & O Ventures Berhad)

(645371 – V)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

**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 FRS 134, “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) 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 financial year ended 31 December 2009.

**A2. Adoption of Revised Financial Reporting**

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2009 except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010:

**FRSs/IC Interpretations**

- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 8: Operating Segments
- Revised FRS 101 (2009): Presentation of Financial Statements
- Revised FRS 123 (2009): Borrowing Costs
- Revised FRS 139 (2010): Financial Instruments: Recognition and Measurement
- Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Vesting Conditions and Cancellations
- Amendments to FRS 7, FRS 139 and IC Interpretation 9
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11 FRS 2: – Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Annual Improvements to FRSs (2009)

Other than the principal effects as discussed below, the adoption of the above FRSs, Amendments and Interpretations do not have any significant financial impact on the Group’s results.

***Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement***

Arising from the adoption of FRS 139, *Financial Instruments: Recognition and Measurement*, with effect from 1 January 2010, financial instruments are categorised and measured using accounting policies as mentioned below.

**i) Initial recognition and measurement**

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not a fair value through profit or loss, transaction costs that are directly attributable the acquisition or issue of the financial instrument.

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**ii) Financial instrument categories and subsequent measurement**

The Group categorise financial instruments as follows:

**Financial assets**

**a) Financial assets at fair value through profit or loss**

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

**b) Held-to-maturity investments**

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

**c) Loans and receivables**

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

**d) Available-for-sale financial assets**

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

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The Group has adopted FRS 139 and the changes have been accounted for by restating the following opening balances of the group as at 1 January 2010:-

	<b>As at 1 January 2010</b>		
	<b>Previously Reported RM'000</b>	<b>Effects of FRS 139 RM'000</b>	<b>Restated RM'000</b>
Statement of financial position (extract):-			
Investment in marketable securities	44,713	1,392	46,105
Reserves	89,195	1,392	90,587

***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. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

***Revised FRS 101 (2009) Presentation of Financial Statements***

Arising from the adoption of FRS 101 (revised), income statements for the quarter and 9-month period ended 30 September 2009 have been re-presented as statement of comprehensive income. All non-owner changes in equity that were presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of other comprehensive income are not presented in the statement of changes in equity.

The following comparative figures have been restated as a result of accounting for the effects of FRS 101:-

	<b>Corresponding Quarter from 1.7.2009 to 30.9.2009</b>		
	<b>As Previously Reported RM'000</b>	<b>Effects of FRS 101 RM'000</b>	<b>As Restated RM'000</b>
Statement of Comprehensive Income (extract)			
Other comprehensive income	-	1,441	1,441

	<b>9-month period from 1.1.2009 to 30.9.2009</b>		
	<b>As Previously Reported RM'000</b>	<b>Effects of FRS 101 RM'000</b>	<b>As Restated RM'000</b>
Statement of Comprehensive Income (extract)			
Other comprehensive income	-	1,246	1,246

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010****FRS 117: Leases**

The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance is finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

The following comparative figures have been restated as a result of accounting for the effects of FRS117 retrospectively:-

	<b>As at 31 December 2009</b>		
	<b>Previously Reported RM'000</b>	<b>Effects of FRS 117 RM'000</b>	<b>Restated RM'000</b>
Statement of financial position (extract):-			
Property, plant and equipment	140,664	4,214	144,878
Prepaid land lease payments	4,214	(4,214)	-

**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 quarter and 9-month period ended 30 September 2010 other than as disclosed in paragraph A12.

**A6. Changes in Estimates**

There was no significant change in estimates of amounts reported in prior financial years which have a material effect in the current quarter and 9-month period ended 30 September 2010.

**A7. Segmental Information**

The Group operates primarily in the semiconductor industry. Geographical segmental information is as follows:

<b>Current Year Year-To-Date 30 September 2010</b>	<b>Asia RM'000</b>	<b>Europe RM'000</b>	<b>USA RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
Revenue	120,939	25,232	12,145	617	158,933
Segment assets	354,840	8,131	-	394	363,365
Capital expenditure	49,037	2	-	-	49,039
<b>Preceding Year Year-To-Date 30 September 2009</b>	<b>Asia RM'000</b>	<b>Europe RM'000</b>	<b>USA RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
Revenue	90,258	9,110	7,815	347	107,530
Segment assets	346,906	1,553	-	-	348,459
Capital expenditure	15,736	17	-	-	15,753

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010****A8. Dividend**

No dividend has been declared or paid in the current quarter and 9-month period ended 30 September 2010.

**A9. Valuation of Property, Plant and Equipment**

The Group did not revalue any of its property, plant and equipment for the current quarter and 9-month period ended 30 September 2010.

**A10. Debt and Equity Securities**

During the 9-month period, 1,710,400 ordinary shares were issued at RM0.38 per share pursuant to the exercise of options under the Company Employee Share Option Scheme (ESOS). As at 30 September 2010, the outstanding ESOS granted was 3,857,200 shares, after adjusting for bonus share issue as described below (31 December 2009: 4,605,000 shares).

On 12 July 2010, the company issued 243,902,993 new shares to registered shareholders as of 12 July 2010 by way of one bonus share for every three existing shares credited as fully paid-up by way of capitalising the share premium account. Accordingly, the subscription price and outstanding ESOS granted were revised as follows:

	As at 11 July 2010	As at 12 July 2010
Subscription Price	RM0.38	RM0.285
Outstanding ESOS shares	2,894,600	3,857,200

	Number of Ordinary Shares of RM0.10 Each Share Capital (Issued and Fully Paid) ‘000	Amount Share Capital (Issued and Fully Paid) RM’000
As at 01 January 2010	730,000	73,000
Issue of Ordinary Share pursuant to		
- ESOS	1,710	171
- Bonus shares issued	243,903	24,390
As at 30 September 2010	975,613	97,561

**A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter under review.

**A12. Capital Commitments**

Capital commitment authorised but not provided for in the financial statements:

	As at 30 September 2010 RM’000	As at 31 December 2009 RM’000
Property, Plant and Equipment		
- Contracted	4,858	8,291
- Not contracted	3,232	40,778
	7,817	49,069

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010****A13. Discontinued Operation**

On 22 November 2010, the Group announced the decision by its wholly-owned subsidiary, Omega Semiconductor Sdn Bhd (“Omega”), to discontinue its Molded Discrete Packaging business, which has been incurring losses. The decision was consistent with the Group’s strategy to focus on its LED Lighting Component and Lighting Solution business.

The resulting negative impact on net assets amounting to RM18,590,792 has been recognised in the current quarter interim financial statements.

Statement of comprehensive income disclosures

The results for the discontinued operation are as follows:

	<b>9-month ended 30 September 2010 RM’000</b>
Revenue	1,034
Expenses(include asset impairment)	(27,600)
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	(26,566)
Taxation	
- Deferred tax related to impairment loss on property, plant and equipment from discontinued operation	4,438
	<hr style="border-top: 1px solid black;"/>
Loss from discontinued operation, net of tax	<hr style="border-top: 3px double black;"/>
	(22,128)

**9-month ended  
30 September 2010  
RM’000**

Loss from discontinued operation, is arrived  
at after charging the following:-

Impairment loss on property plant and equipment	21,606
Deposit Written Off	1,423
Depreciation	3,586
Staff Cost	612

Statement of Cash Flows Disclosures

The cash flows attributable to Molded Discrete Packaging line were as follow

	<b>9-month ended 30 September 2010 RM,000</b>
Total Cash Flows	50

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

	<b>As at 30 September 2010 RM’000</b>	<b>As at 31 December 2009 RM’000</b>
<b>Contingent Liabilities</b>		
Corporate guarantees given to financial institutions for credit facilities (utilised) extended to subsidiaries	15,837	17,218
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>

The Company provided a total of RM39.25 million and RM7.7 million of corporate guarantees to financial institutions for credit facilities granted to its wholly-owned subsidiary, Omega and to its 51.31% owned subsidiary, Dominant Opto Technologies Sdn Bhd, respectively.

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On 26 October 2010, the Company announced that its wholly-owned subsidiary, Omega, had on 25 October 2010 disposed the entire 51% equity interest in Aeopto Technologies Co., Ltd to Tongfang Optoelectronic (HK) Ltd for a total cash consideration of USD 1,717,500. On the same date, the Joint Venture Agreement dated 18 August 2008 between Omega and AE Technologies (GD) Co., Ltd was terminated. As a result of the disposal, Aeopto Technologies Co., Ltd has since ceased to be a subsidiary of the Group.

On 28 October 2010, the Company announced that the dividend in-specie by Omega to the company of its equity interest in Dominant Opto Technologies Sdn Bhd and Aeopto Technologies (HK) Co., Ltd have been completed on 23 June 2010 and 28 October 2010 respectively.

On 29 October 2010, the Company announced that on 28 October 2010 it had acquired the remaining 4,900 ordinary shares of HKD1.00 each representing 49 % equity interest in Aeopto Technologies (HK) Co., Ltd from Wu Wen Feng for a total cash consideration of USD 93,921, equivalent to RM 293,926. As a result of the Acquisition, the company holds 100% direct equity interest in Aeopto Technologies (HK) Co., Ltd, which has a 20% equity interest in Tongfang Optoelectronic (HK) Ltd.

**A16. Comparative Figures**

The following comparative figures have been reclassified to conform with current presentation for the 9-month period ended 30 September 2010.

	<b>9 month Period</b>	
	<b>From 1.1.2009 to 30.9.2010</b>	
	<b>As Restated</b>	<b>As Previously</b>
	<b>RM'000</b>	<b>Reported</b>
		<b>RM'000</b>
Statement of Comprehensive		
Income (extract)		
Cost Of Sales	(83,067)	(70,867)
Depreciation	-	(15,077)
Amortisation of Prepaid Lease Payment	-	(222)
Research and Development Expenses	(3,099)	-
Other Income/ (Expenses), Net	8,673	13,669
Profit attributable to Minority Interest	1,952	6,948

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

**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 current quarter under review has been a difficult quarter for the Group. The consumer electronics LED applications, in particular the TV segment, has proven to be significantly more challenging than earlier anticipated principally because of intense downward pricing pressure, high demand volatility, persistent inventory overhang and short product design life cycle. Consequently, sales revenue for the third quarter of 2010 fell 18% year-on-year to RM35.655 million, mainly due lower LED component sales.

Slower sales aside, lower capacity utilization, a strengthening Ringgit against the US Dollar, set up cost of the new factory in Laos and provision for inventory obsolescence and diminution in value of inventory severely eroded operating margins, resulting in a loss from continuing operations of RM17.973 million, compared to a profit of RM7.844 in the corresponding quarter last year.

Loss for the quarter was further weighed down by RM22.128 million in losses from discontinued operation. As disclosed in Note A12, Omega, a wholly owned subsidiary of D&O, has decided to discontinue with its Molded Discrete Packaging business in order for the Group to focus on the LED lighting component and solution business. Loss from discontinued operation comprised RM18.591 million from the resulting negative impact on net assets of the Molded Discrete Packaging division and RM3.537 million in divisional operating loss.

**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 current quarter fell 37% to RM35.66 million. This was mainly caused by lower sales of LED components to the LED consumer electronics applications and sales of backlight modules by Aeopto Technologies Co., Ltd.

Loss from continuing operations widened from RM1.305 million in the preceding quarter to RM17,973 million in the current quarter under review due to lower sales, intensifying pricing pressure, higher capacity costs and continuous strengthening of the Ringgit versus the US Dollar.

As explained above, total loss for the current quarter was further dragged down by the RM22.128 million losses from discontinued operation.

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

Management expects demand for LED components in the more stable global automotive sector to pick up significantly in the remaining quarter of this financial year, and the trend is expected to carry through well into 2011 as a result of new project-design wins. However, the operating environment of the fast paced consumer electronic segments, including LED TV and General Lighting, will remain challenging as a result of intense price competition, high demand volatility and short product-design cycles. Margin is also expected to remain under pressure as a result of a stronger Malaysia Ringgit versus the US Dollar.

The Board however remains upbeat about the longer term prospects of the LED industry, buoyed by continuous adoption of LED in the LCD TV and general lighting markets. To weather through this difficult period, management has taken various initiatives to preserve cash and stem operating losses. These include keeping a tight rein on overheads, slowing down on capacity expansion plans and instituting more discipline on inventory management. Construction of the new factory in Laos is in the final stage of preparations before mass production. Management is confident that the new low cost plant will significantly ease cost pressure and put the Group in good stead to compete in the highly competitive consumer LED markets.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010****B4. Income Tax Expense**

	<b>Current Quarter Ended 30 Sept 2010 RM'000</b>	<b>Preceding Year Quarter Ended 30 Sept 2009 RM'000</b>	<b>Current Year-To-Date 30 Sept 2010 RM'000</b>	<b>Preceding Year Year-To-Date 30 Sept 2009 RM'000</b>
Current taxation – Ordinary Activities	49	13	66	109
Deferred taxation	(202)	-	(202)	-
	(153)	13	(136)	109
Under/ (Over) provision in previous Financial period	(58)	-	204	-
	(211)	13	68	109

The Group suffered a pre-tax loss of RM18,184 million and RM15,121 million in the current quarter and 9-month period ended 30 September 2010, respectively. The income tax income of RM211,000 in the current quarter under review was mainly due to reversal of deferred taxation and over provision in the previous financial period. For the 9-month period ended 30 September 2010, the income tax expense was mainly attributable to one of the subsidiaries.

**B5. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee.

**B6. Quoted Securities**

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

	<b>Current Year Quarter Ended 30 September 2010 RM'000</b>	<b>Preceding Year Quarter Ended 30 September 2009 RM'000</b>	<b>Current Year-To-Date 30 September 2010 RM'000</b>	<b>Preceding Year-To-Date 30 September 2009 RM'000</b>
i) Acquisition of quoted investments				
Purchases consideration	-	47,064	8,533	92,666
ii) Disposal of quoted investments				
Sale proceeds	182	58,041	42,434	66,576
Cost of quoted securities disposed	142	44,895	42,467	52,668
Profit/(Loss) on disposal	40	13,146	(33)	13,908

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b) Details of investments in quoted securities:

	<b>As at 30 September 2010</b>		
	<b>Cost RM'000</b>	<b>Book Value RM'000</b>	<b>Market Value RM'000</b>
Quoted in Malaysia	7,832	11,494	11,494
Quoted outside Malaysia	2,947	3,055	3,055
	10,779	14,549	14,549

	<b>As at 30 September 2009</b>		
	<b>Cost RM'000</b>	<b>Book Value RM'000</b>	<b>Market Value RM'000</b>
Quoted in Malaysia	7,579	7,579	8,383
Quoted outside Malaysia	36,781	36,781	38,488
	44,360	44,360	46,871

**B7. Unquoted Investments and/or Properties**

There was no sale or purchase of property or unquoted investment during the current quarter under review. For the period 9-month ended 30 September 2010, there was no sale or purchase of property.

Details of movements in investment in unquoted investments for the 9-month period ended 30 September 2010 are as follows:

	<b>9-Month Period Ended 30 September 2010 RM'000</b>
Investment in unquoted shares (outside Malaysia)	
At cost	3,249
Addition during the period	6,746
At 30 September	9,995

**B8. Corporate Proposals**

There was no corporate proposal announced but not completed as at 18 November 2010, the latest practical date which is not earlier than 7 days from the date of issue of these financial statements.

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The Group's borrowings are as follows:

	<b>As at 30 September 2010 RM'000</b>
Secured denominated in Ringgit Malaysia:	
- bankers acceptances	19,368
- term loans	5,984
- revolving credit	15,000
	<hr/> 40,352 <hr/>
Long term borrowings	
Secured denominated in Ringgit Malaysia:	
- term loans	9,281
	<hr/> 9,281 <hr/>
Bank overdraft	
Secured denominated in:	
- Ringgit Malaysia	9,842
	<hr/> 9,842 <hr/>

**B10. Material Litigation****Ipoh High Court Civil Suit No. M2-22-229-2006**

**DOT ("Plaintiff") vs Osram GmbH, OOS and Osram Opto Semiconductors (Malaysia) Sdn Bhd (collectively the "Defendants")**

In the case of Ipoh High Court Civil Suit No.M2-22-229-2006 which commenced in 2006, DOT sued the Defendants for damages for issuing and publishing statements about the Plaintiff which the Plaintiff claimed were untrue and were calculated to cause damage to the Plaintiff's reputation and business.

On 20.9.2010, the court has dismissed the Plaintiff's suit against the Defendants on the grounds that the issues raised have already been decided by the US Courts.

**Osram Opto Semiconductors GmbH ("OOS" or "Plaintiff") vs Dominant Opto Technologies Sdn Bhd (formerly known as Dominant Semiconductors Sdn Bhd) ("DOT" or "Defendant")**

No further development since the last announcement made on 26 August 2010.

**Melaka High Court Civil Suit No. 22-125-2010**

**Dominant Opto Technologies Sdn Bhd ("Plaintiff") vs Lai Kin Shin ("1<sup>st</sup> Defendant"), Goh Poh Lee ("2<sup>nd</sup> Defendant"), Lee Seng Khoon(3<sup>rd</sup> Defendant"), Geepar Enterprise Sdn Bhd("4<sup>th</sup> Defendant") and Robert Chan Siew Kong ("5<sup>th</sup> Defendant")**

The abovenamed suit was brought by a subsidiary of the Group, Dominant Opto Technologies Sdn Bhd (formerly known as Dominant Semiconductors Sdn Bhd) wherein the causes of action against the Defendants are as follows:

1. 1st Defendant - breach of contract, conspiracy and bribery;
2. 2nd and 3rd Defendants - breach of contract and conspiracy; and
3. 4th and 5th Defendants - bribery and conspiracy.

The 1st, 2nd and 3rd Defendants served their Defence on 29 October 2010 wherelse the 4th and 5th Defendants on 12 October 2010. A notice for pre-trial case management was filed by the Plaintiff's solicitors' vide letter of 3 November 2010. The court has yet to issue the sealed notice wherein a date will be fixed for parties to appear before the Judge for further directions as to the future conduct of the action.

At the time of this announcement, the compensation for the damages claimed by the Plaintiff cannot be determined. The maximum exposure to liability is estimated to be confined to legal costs.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010****Melaka High Court Civil Suit No. 22-132-2010****Geepar Enterprise Sdn Bhd (“Plaintiff”) vs Dominant Opto Technologies Sdn Bhd (“Defendant”)**

Geepar Enterprise Sdn Bhd commenced an action against a subsidiary of the Group, Dominant Opto Technologies Sdn Bhd (formerly known as Dominant Semiconductors Sdn Bhd) for inter alia a sum of RM13,450,387.33 together with interest at the rate of 1.5% on RM13,450,387.33 from 21 September 2010 to the date of full and final settlement for goods sold and delivered. The Defendant in their Defence denies that the Plaintiff has agreed to sell the goods and further states that the goods were not delivered to the Defendant. The Defendant also raised the issue of conspiracy. A reply to the defense was served by the solicitors for the Plaintiff on 16 November 2010.

The solicitors for the Plaintiff have not served on us a notice for pre-trial case management in respect of this suit. Therefore, as it stands, no pre-trial case management date has been fixed.

**B11. Earnings per Share**

	<b>Current Year Quarter Ended 30 Sept 2010</b>	<b>Preceding Year Corresponding Quarter Ended 30 Sept 2009</b>	<b>Current Year-To-Date 30 Sept 2010</b>	<b>Preceding Year Corresponding Year-To-Date 30 Sept 2009</b>
<b>Basic earnings per share</b>				
(Loss)/Profit for the period attributable to ordinary equity holders of the Company (RM'000)	(31,015)	3,189	(28,813)	5,947
Weighted average number of ordinary shares in issue ('000)	975,613	730,000	812,946	730,000
Basic earnings per share (sen)	(3.18)	0.44	(3.54)	0.81
<b>Diluted earnings per share</b>				
(Loss)/Profit for the period attributable to ordinary equity holders of the Company (RM'000)	(31,015)	NA	(28,813)	NA
Dilutive effects of outstanding employees' share options (RM'000)	47	NA	47	NA
Diluted earnings (RM'000)	(30,968)	NA	(28,766)	NA
Weighted average number of ordinary shares in issue ('000)	975,613	NA	812,946	NA
Adjustment for share options ('000)	3,857	NA	3,857	NA
Weighted average number of ordinary shares used in the calculation of diluted earnings per share ('000)	979,470	NA	816,803	NA
Diluted earnings per share (Sen)	(3.18)	NA	(3.54)	NA

The fully diluted earnings per share for the Group in the financial period ended 30 September 2009 was not presented as the assumed conversion from the exercise of the share options under the ESOS would be anti-dilutive.

**D & O GREEN TECHNOLOGIES BERHAD**

(Formerly Known As D & O Ventures Berhad)

(645371 – V)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

**B12. Off Balance Sheet Financial Instruments**

There was no financial instrument with off balance sheet risk as at 18 November 2010, the latest practical date which is not earlier than 7 days from the date of issue of these financial statements.

**B13. 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 November 2010.