



DISCCOMP BERHAD

QUARTERLY REPORT
For the Second Quarter
Ended 30 June 2009

Interim Financial Report
(Unaudited)

DISCCOMP BERHAD(Company No. 55420-P)
(Incorporated in Malaysia)

DISCCOMP BERHAD

**Condensed Consolidated Income Statements
For the Second Quarter Ended 30 June 2009**

(The figures below are unaudited)

	Individual quarter		Cumulative quarter	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	9,328	8,076	17,180	15,296
Operating expenses	(9,043)	(7,976)	(16,690)	(15,025)
Depreciation and amortisation	(109)	(115)	(223)	(232)
Other income	21	104	36	134
Operating profit/(loss)	197	89	303	173
Interest expenses	(3)	(9)	(6)	(12)
Interest income	37	33	82	53
Profit/(Loss) before taxation	231	113	379	214
Taxation	(89)	(31)	(205)	(10)
Profit/(Loss) after taxation	142	82	174	204
Attributable to:				
Equity holders of the parent	133	41	141	236
Minority Interest	9	41	33	(32)
	142	82	174	204
Profit/(Loss) per share				
From continuing operations:				
Basic (sen)	0.27	0.08	0.29	0.49
Diluted (sen)	-	-	-	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and accompanying explanatory notes attached to the interim financial statements.

DISCCOMP BERHAD(Company No. 55420-P)
(Incorporated in Malaysia)

DISCCOMP BERHAD

Condensed Consolidated Balance Sheet**As at 30 June 2009**

(The figures below are unaudited)

	Unaudited As at 30.06.09 RM'000	Audited As at 31.12.08 RM'000
ASSETS		
Non-Current assets		
Property, plant and equipment	1,593	1,839
Other investments	73	145
	<u>1,666</u>	<u>1,984</u>
Current assets		
Inventories	5,259	4,420
Trade and others receivables	7,868	6,727
Fixed deposits with licensed banks	6,030	9,880
Cash and bank balances	4,574	1,735
	<u>23,731</u>	<u>22,762</u>
TOTAL ASSETS	<u>25,397</u>	<u>24,746</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	24,250	24,250
Reserves	28	28
Accumulated losses	(2,321)	(2,462)
	<u>21,957</u>	<u>21,816</u>
Minority shareholders' interests	1,040	1,007
Total equity	<u>22,997</u>	<u>22,823</u>
Non-current liabilities		
Deferred liabilities	40	59
Deferred tax liabilities	197	190
	<u>237</u>	<u>249</u>
Current liabilities		
Trade and other payables	2,060	1,659
Taxation	103	15
	<u>2,163</u>	<u>1,674</u>
Total liabilities	<u>2,400</u>	<u>1,923</u>
TOTAL EQUITY AND LIABILITIES	<u>25,397</u>	<u>24,746</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.45	0.45

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and accompanying explanatory notes attached to the interim financial statements.

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(Company No. 55420-P)
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**Condensed Consolidated Statements of Changes in Equity
For the Second Quarter Ended 30 June 2009**

(The figures below are unaudited)

← Attributable to equity holders of the Company →

	Share capital RM'000	Non - distributable ----- Capital reserves RM'000	Distributable ----- Accumulated profits RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
At 1 January 2009	24,250	28	(2,462)	21,816	1,007	22,823
Profit for the financial period	-	-	141	141	33	174
At 30 June 2009	24,250	28	(2,321)	21,957	1,040	22,997
At 1 January 2008	24,250	30	(2,970)	21,310	1,066	22,376
Profit/(loss) for the financial period	0	0	236	236	(32)	204
Disposal of a subsidiary company	0	0	0	0	(3)	(3)
At 30 June 2008	24,250	30	(2,734)	21,546	1,031	22,577

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and accompanying explanatory notes attached to the interim financial statements.

DISCCOMP BERHAD(Company No. 55420-P)
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**Condensed Consolidated Cash Flow Statements
For the Second Quarter Ended 30 June 2009**

(The figures below are unaudited)

	6 months ended	
	30.06.09	30.06.08
	RM'000	RM'000
Cash flows from operating activities		
Net profit before tax	379	214
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortisation	223	232
Interest expenses	6	12
Interest income	(82)	(53)
Non-cash items	337	531
Operating profit before changes in working capital	<u>863</u>	<u>936</u>
Changes in working capital:		
Net change in current assets	(2,227)	541
Net change in current liabilities	423	(250)
Net cash (used)/ generated by operations	<u>(941)</u>	<u>1,227</u>
Interest paid	(6)	(12)
Tax (paid)/ refund	(90)	142
Net cash (used)/ generated by operating activities	<u>(1,037)</u>	<u>1,357</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	34
Purchase of property, plant and equipment	(16)	(119)
Net cash outflow from disposal of a subsidiary company	-	(3)
Interest received	82	53
Net cash generated/(used) in investing activities	<u>66</u>	<u>(35)</u>
Cash flows from financing activities		
Repayment of hire purchase liabilities	(40)	(43)
Net cash used in financing activities	<u>(40)</u>	<u>(43)</u>
Net (decreased)/increase in cash and cash equivalents	(1,011)	1,279
Cash and cash equivalents at beginning of the year	<u>11,585</u>	<u>7,730</u>
Cash and cash equivalents at end of the period	<u>10,574</u>	<u>9,009</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and accompanying explanatory notes attached to the interim financial statements

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

SECTION A

Explanatory Notes Pursuant to Financial Reporting Standard (“FRS”) No.134

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of rule 9.22(2) and Appendix 9B of the Bursa Securities ACE Market Listing Requirements (“ACE LR”) and in compliance with the requirements of FRS 134, Interim Financial Reporting, issued by the Malaysian Accounting Standards Board.

These interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008. It contains condensed consolidated financial statements and selected explanatory notes. These notes include explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2008. The condensed consolidated interim financial statements and notes thereon do not include all information required for the full set of financial statements prepared in accordance with FRSs.

The preparation of the interim financial report requires management to make judgments, estimates and assumptions that affect the applications of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

A2 Changes in Accounting Policies

This interim financial statement has been prepared in accordance with the same accounting policies adopted in audited financial statements for the financial year ended 31 December 2008.

The following FRS’s and Issues Committee (“IC”) Interpretations were issued but not yet effective and have not been applied by the Group and the Company:-

		Effective from:-
i)	FRS 4 Insurance Contracts	01 Jan 2010
ii)	FRS 7 Finance Instruments: Disclosure	01 Jan 2010
iii)	FRS 8 Operating Segments	01 Jul 2009
iv)	FRS 139 Financial Instruments: Recognition and Measurement	01 Jan 2010
v)	IC Interpretation 9 Reassessment of Embedded Derivatives	01 Jan 2010
vi)	IC Interpretation 10 Interim Financial Reporting and Impairment	01 Jan 2010

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FRS 4 is not relevant to the Group's operations.

The new FRSs and IC Interpretations above are expected to have no significant impact on the financial statements of the Group for the current quarter under review.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2008 was not qualified.

A4 Segment Information

	3 months ended		6 months ended	
	30.06.09	30.06.08	30.06.09	30.06.08
<u>Segment Revenue</u>	RM'000	RM'000	RM'000	RM'000
Manufacturing	-	-	-	-
Trading	13,544	11,306	24,873	21,841
Total revenue including inter-segment sales	13,544	11,306	24,873	21,841
Elimination of inter-segment sales	(4,216)	(3,230)	(7,693)	(6,545)
Total revenue	9,328	8,076	17,180	15,296
<u>Segment Results</u>	RM'000	RM'000	RM'000	RM'000
Profit/(loss) from operations:				
Manufacturing	(2)	(214)	(158)	(294)
Trading	199	303	461	467
	197	89	303	173
Profit/(loss) before taxation:				
Manufacturing	(2)	(214)	(158)	(294)
Trading	233	327	537	508
	231	113	379	214

A5 Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

During the quarter under review, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

A6 Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current quarter under review.

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A7 Seasonal or Cyclical Factors

The Group's performance was not affected by any significant seasonal or cyclical factors in the current quarter under review.

A8 Dividends Paid

No dividend has been paid in the current quarter and the financial year-to-date.

A9 Carrying Amount of Property, Plant and Equipment

There were no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group did not adopt a revaluation on its property, plant and equipment.

A10 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

A11 Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial quarter and financial year to date.

A12 Capital Commitments

There were no capital commitments for the current financial year-to-date.

A13 Changes in Contingent Liabilities/Contingent Assets

There were no changes in contingent liabilities/contingent assets since the last annual balance sheet date as at 31 December 2008.

A14 Subsequent Events

There were no material events subsequent to the financial quarter ended 30 June 2009 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

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**A15 Related party transactions**

The related parties of the Group and of the Company comprise the following:

Related companies being subsidiary companies of Disccomp Berhad ("Disccomp"):

- i) Pineapple Computer Systems Sdn Bhd ("PCS"), a 92.16%-owned subsidiary company;
- ii) Pineapple Computers & Accessories Sdn Bhd ("PCA"), a wholly-owned subsidiary company of PCS;
- iii) Pine System Technology Sdn Bhd ("PST"), a 51%-owned subsidiary company of PCS;
- iv) SC Multimedia (EM) Sdn Bhd ("SCEM"), a 51%-owned subsidiary company; and
- v) Pine Computer Sdn Bhd ("PC"), a 55%-owned subsidiary company of PST.

Other related parties included:

- i) Chuan Huat Resources Berhad ("CHRB") group of companies ("CHRB Group");

The significant related party transactions are as follows:

	6 months ended 30.06.09 RM'000	6 months ended 30.06.08 RM'000
a) Sales of goods to		
i) <u>Subsidiaries</u>		
PCS	4,139	3,392
PCA	1,243	1,206
PST	1,520	887
SCEM	-	187
PC	-	110
b) Purchase of goods from		
i) <u>Subsidiaries</u>		
PCS	17	10
PCA	4	32
PST	14	178
SCEM	150	-
c) Others		
i) <u>Related Parties</u>		
Rental of premises paid to CHRB Group	90	94
Rental of premises received from CHRB Group	12	12
ii) <u>Subsidiaries</u>		
Rental income received from subsidiary companies	15	30
Management fees received from subsidiary companies	30	57

CHRB holds 100% equity interest in Chuan Huat Hardware Holdings Sdn Bhd, which in turn holds 63.86% equity interest in Disccomp.

In the opinion of the Directors, the above related party transactions have been entered into in the normal course of business and have been established under terms that are no more favourable than those arranged with independent third parties.

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**DISCCOMP BERHAD****A16 Cash and cash equivalents**

	6 months ended	
	30/06/09	30/06/08
	RM'000	RM'000
Fixed deposit with a licensed bank	6,030	1,110
Cash and bank balances	4,574	7,929
	<u>10,604</u>	<u>9,039</u>
Less : Fixed Deposits pledged	(30)	(30)
	<u>10,574</u>	<u>9,009</u>

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**SECTION B****Explanatory Notes Pursuant to Rule 9.22(2) and Appendix 9B of the ACE LR.****B1 Performance Review**

	3 months ended		6 months ended	
	30/06/09	30/06/08	30/06/09	30/06/08
	RM'000	RM'000	RM'000	RM'000
Revenue	9,328	8,076	17,180	15,296
Profit before taxation	231	113	379	214

The Group's revenues for the second quarter and six (6) months financial period ended 30 June 2009 have increased by approximately 15.5% and 12.3% respectively as compared to the corresponding financial periods in the preceding financial year. These increases in revenue were mainly from the better performances of the retail outlets, Information Technology ("IT") fairs and road shows held during the period under review.

The Group achieved profit before tax of RM231,000 for the second quarter of 2009 and RM379,000 for six (6) months financial period ended 30 June 2009 as compared to RM113,000 and RM214,000 in the corresponding financial period. These were mainly due to the increase in revenue.

B2 Comment on Material Change in Profit/(Loss) Before Taxation

	6 months ended	
	30/06/09	31/03/09
	RM'000	RM'000
Revenue	9,328	7,852
Profit before taxation	231	148

During the financial quarter under review, the Group recorded a profit before taxation of approximately RM231,000 as compared to RM148,000 for the preceding quarter ended 31 March 2009. This was mainly due to the increase in revenue.

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**DISCCOMP BERHAD****B3 Commentary on Prospects**

The measures taken by the Group to focus on the growth of the house brands of "ESYINK" range of IT consumable products by organising more offers and promotions have shown positive results in countering the adverse impact of sluggish domestic demand experienced in the first 2 quarters of 2009. It has been noted that there are signs of economic improvement lately, hence the second half of this year is anticipated to be better and will augur well for the retail sector.

The Group aims to achieve better operating performances from the retail outlets for the remaining period of the year from the improved market sentiment together with vigilant measures to ensure risk mitigation and prudent cash management while maintaining cost savings measures and to continue focusing on improving efficiencies and productivities so as to remain competitive in the industry.

With the positive outlook and barring any unforeseen circumstances, the Board of Directors expects the Group's result to be better in the second half of the financial year ending 31 December 2009

B4 Profit Forecast and Profit Guarantee

Not applicable as the Group did not announce any profit forecast or profit guarantee.

B5 Income Tax Expenses

	3 months ended		6 months ended	
	30/06/09	30/06/08	30/06/09	30/06/08
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax				
- current	61	37	179	64
- under/(over) provision in prior years	19	-	19	-
	<u>80</u>	<u>37</u>	<u>198</u>	<u>64</u>
Deferred taxation	9	(6)	7	(54)
TOTAL	<u>89</u>	<u>31</u>	<u>205</u>	<u>10</u>

The effective tax rate for the financial period ended 30 June 2009 and 30 June 2008 are not reflective of the statutory tax rate principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries and certain expenses which are not deductible for tax purposes.

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B6 Sale of Unquoted Investment and Properties

There were no sales of unquoted investments and properties during the quarter under review and financial year-to-date.

B7 Quoted Securities

(a) There were no purchases or disposals of quoted securities during the quarter under review and financial year-to-date.

(b) There were no investments in quoted securities as at 30 June 2009.

B8 Corporate Proposals

The Group does not have any corporate proposals announced but not completed as at 21 August 2009 (the latest practical date which is not earlier than 7 days from the date of this report).

B9 Borrowings and Debt Securities

The Group does not have any borrowings or debt securities as at 30 June 2009.

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

B11 Changes in Material Litigation

There was no material litigation involving the Group as at the date of this report.

B12 Dividend Payable

No dividend has been declared or recommended for payment for the quarter ended 30 June 2009.

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**B13 Profit/(Loss) Per Share****Basic**

The basic profit/(loss) per share is calculated by dividing profit/(loss) after taxation and minority interests by the total number of ordinary shares in issue for the respective periods as follows:

	3 months ended		6 months ended	
	30/06/09	30/06/08	30/06/09	30/06/08
Profit/(Loss) attributable to the equity holders of the parent (RM'000)	133	41	141	236
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic profit/(loss) per share (sen)	0.27	0.08	0.29	0.49

There were no potential dilutive components in the shareholdings of Disccomp as at 30 June 2009 and 30 June 2008.

B14 Authorisation For Issue

This interim financial statement were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

BY ORDER OF THE BOARD**DATO' LIM LOONG HENG
MANAGING DIRECTOR**

Date: 28 August 2009