



## **DISCCOMP BERHAD**

QUARTERLY REPORT  
For the Third Quarter  
Ended 30 September 2009

Interim Financial Report  
( Unaudited )

**DISCCOMP BERHAD**(Company No. 55420-P)  
(Incorporated in Malaysia)**Condensed Consolidated Income Statements  
For the Third Quarter Ended 30 September 2009**

(The figures below are unaudited)

	Individual quarter		Cumulative quarter	
	30.09.2009 RM'000	30.09.2008 RM'000	30.09.2009 RM'000	30.09.2008 RM'000
Revenue	9,955	9,065	27,135	24,361
Operating expenses	(9,644)	(8,751)	(26,334)	(23,776)
Depreciation and amortisation	(111)	(118)	(334)	(350)
Other income	30	58	66	192
<b>Operating profit</b>	230	254	533	427
Interest expenses	(3)	(3)	(9)	(15)
Interest income	19	13	101	66
<b>Profit before taxation</b>	246	264	625	478
Taxation	(87)	(88)	(292)	(98)
<b>Profit after taxation</b>	159	176	333	380
<b>Attributable to:</b>				
Equity holders of the parent	133	143	274	379
Minority Interest	26	33	59	1
	159	176	333	380
<b>Profit per share</b>				
From continuing operations:				
Basic (sen)	0.27	0.29	0.56	0.78
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)**Condensed Consolidated Balance Sheet****As at 30 September 2009**

(The figures below are unaudited)

	<b>Unaudited As at 30.09.09 RM'000</b>	<b>Audited As at 31.12.08 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant and equipment	1,516	1,839
Other investments	38	145
	<u>1,554</u>	<u>1,984</u>
<b>Current assets</b>		
Inventories	5,206	4,420
Trade and others receivables	7,167	6,727
Fixed deposits with licensed banks	9,030	9,880
Cash and bank balances	1,571	1,735
	<u>22,974</u>	<u>22,762</u>
<b>TOTAL ASSETS</b>	<b><u>24,528</u></b>	<b><u>24,746</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	24,250	24,250
Reserves	28	28
Accumulated losses	(2,188)	(2,462)
	<u>22,090</u>	<u>21,816</u>
<b>Minority shareholders' interests</b>	1,013	1,007
<b>Total equity</b>	<u>23,103</u>	<u>22,823</u>
<b>Non-current liabilities</b>		
Deferred liabilities	35	59
Deferred tax liabilities	194	190
	<u>229</u>	<u>249</u>
<b>Current liabilities</b>		
Trade and other payables	1,172	1,659
Taxation	24	15
	<u>1,196</u>	<u>1,674</u>
<b>Total liabilities</b>	<u>1,425</u>	<u>1,923</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>24,528</u></b>	<b><u>24,746</u></b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.46	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.*

**DISCCOMP BERHAD**

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



**Condensed Consolidated Statements of Changes in Equity**  
**For the Third Quarter Ended 30 September 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)	<b>21,816</b>	1,007	<b>22,823</b>
Profit for the financial period	-	-	274	<b>274</b>	59	<b>333</b>
Disposal of a subsidiary company	-	-	-	-	(53)	<b>(53)</b>
At 30 September 2009	<u>24,250</u>	<u>28</u>	<u>(2,188)</u>	<b><u>22,090</u></b>	<u>1,013</u>	<b><u>23,103</u></b>
At 1 January 2008	24,250	30	(2,970)	<b>21,310</b>	1,066	<b>22,376</b>
Profit for the financial period	-	-	379	<b>379</b>	1	<b>380</b>
Disposal of a subsidiary company	-	-	-	-	(3)	<b>(3)</b>
At 30 September 2008	<u>24,250</u>	<u>30</u>	<u>(2,591)</u>	<b><u>21,689</u></b>	<u>1,064</u>	<b><u>22,753</u></b>

*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)  
(Incorporated in Malaysia)**Condensed Consolidated Cash Flow Statements  
For the Third Quarter Ended 30 September 2009**

(The figures below are unaudited)

	<b>9 months ended</b>	
	<b>30.09.09</b>	<b>30.09.08</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Net profit before tax	625	478
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortisation	334	350
Interest expenses	9	15
Interest income	(101)	(66)
Non-cash items	632	788
Operating profit before changes in working capital	1,499	1,565
Changes in working capital:		
Net change in current assets	(1,724)	2,127
Net change in current liabilities	(449)	(490)
Net cash (used)/ generated by operations	(674)	3,202
Interest paid	(9)	(15)
Tax (paid)/ refund	(262)	283
Net cash (used)/ generated by operating activities	(945)	3,470
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	38
Purchase of property, plant and equipment	(49)	(282)
Net cash outflow from disposal of a subsidiary company	(61)	(7)
Interest received	101	66
Net cash used in investing activities	(9)	(185)
<b>Cash flows from financing activities</b>		
Repayment of hire purchase liabilities	(60)	(63)
Net cash used in financing activities	(60)	(63)
Net (decreased)/increase in cash and cash equivalents	(1,014)	3,222
Cash and cash equivalents at beginning of the year	11,585	7,730
<b>Cash and cash equivalents at end of the period</b>	<b>10,571</b>	<b>10,952</b>

*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*

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009**

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**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 (Amendments)	01 Jan 2010
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

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.

**DISCCOMP BERHAD**(Company No. 55420-P)  
(Incorporated in Malaysia)**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		9 months ended	
	30.09.09	30.09.08	30.09.09	30.09.08
<u>Segment Revenue</u>	RM'000	RM'000	RM'000	RM'000
Manufacturing	-	-	-	-
Trading	14,372	12,609	39,245	34,450
Total revenue including inter-segment sales	14,372	12,609	39,245	34,450
Elimination of inter-segment sales	(4,417)	(3,544)	(12,110)	(10,089)
Total revenue	9,955	9,065	27,135	24,361
<u>Segment Results</u>	RM'000	RM'000	RM'000	RM'000
Profit/(loss) from operations:				
Manufacturing	-	(152)	(158)	(446)
Trading	230	406	691	873
	230	254	533	427
Profit/(loss) before taxation:				
Manufacturing	-	(152)	(158)	(446)
Trading	246	416	783	924
	246	264	625	478

**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.

**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.

## **DISCCOMP BERHAD**

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### **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**

During the current financial quarter, the Group had on 8 September 2009 entered into a Sale and Purchase Agreement of shares with Mr. Lee Kok Meng (NRIC No.741003-10-5405) for the disposal by Pine System Technology Sdn Bhd ("PST") (a 51%-owned subsidiary company of Disccomp), of 66,000 ordinary shares of RM1.00 each representing 55% of the issued and paid-up share capital of Pine Computer Sdn Bhd ("PCSB") to for a total cash consideration of RM58,255.66 Upon the disposal of PCSB by the PST, PCSB would ceased to be a subsidiary of Disccomp.

### **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 September 2009 up to the date of this report which is likely to substantially affect the results of the operations of the Group.



## DISCCOMP BERHAD

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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 ("PCSB"), a 55%-owned subsidiary company of PST but ceased to be a subsidiary after 8 September 2009.

Other related parties included:

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

The significant related party transactions are as follows:

	9 months ended 30.09.09 RM'000	9 months ended 30.09.08 RM'000
<b>a) Sales of goods to</b>		
i) <u>Subsidiaries</u>		
PCS	6,588	5,360
PCA	1,916	1,542
PST	2,369	1,437
SCEM	-	309
PCSB	-	178
<b>b) Purchase of goods from</b>		
i) <u>Subsidiaries</u>		
PCS	18	14
PCA	4	35
PST	33	266
SCEM	150	-
<b>c) Others</b>		
i) <u>Related Parties</u>		
Rental of premises paid to CHRB Group	135	141
Rental of premises received from CHRB Group	24	18
ii) <u>Subsidiaries</u>		
Rental income received from subsidiary companies	23	38
Management fees received from subsidiary companies	45	74

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.

**DISCCOMP BERHAD**

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**A16 Cash and cash equivalents**

	9 months ended	
	30/09/09	30/09/08
	RM'000	RM'000
Fixed deposit with a licensed bank	9,030	2,230
Cash and bank balances	1,571	8,752
	<hr/>	<hr/>
	10,601	10,982
Less : Fixed Deposits pledged	(30)	(30)
	<hr/>	<hr/>
	10,571	10,952

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**DISCCOMP BERHAD**

(Company No. 55420-P)  
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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		9 months ended	
	30/09/09	30/09/08	30/09/09	30/09/08
	RM'000	RM'000	RM'000	RM'000
Revenue	9,955	9,065	27,135	24,361
Profit before taxation	246	264	625	478

The Group's revenue for the third quarter and nine (9) months financial period ended 30 September 2009 have increased by approximately 9.8% and 11.4% 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 recorded a lower profit before tax of RM246,000 for the third quarter of 2009 as compared to RM264,000 in the corresponding financial period, a drop of 6.8%. These were due to the reduced gross profit margin during the period. Overall, the Group however achieved a 30.8% improvement in profit before tax of RM625,000 for nine (9) months financial period ended 30 September 2009 as compared to RM478,000 in the corresponding financial period. These were mainly due to the increase in revenue.

**B2 Comment on Material Change in Profit Before Taxation**

	3 months ended	
	30/09/09	30/06/09
	RM'000	RM'000
Revenue	9,955	9,328
Profit before taxation	246	231

During the financial quarter under review, the Group recorded a profit before taxation of approximately RM246,000 as compared to RM231,000 for the preceding quarter ended 30 June 2009. This was mainly due to the increase in revenue.

**DISCCOMP BERHAD**

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**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 3 quarters of 2009. It has been noted that there are signs of economic improvement lately, hence the remaining of this year is anticipated to be better and will augur well for the retail sector.

The Group aims to maintain the positive performances from the retail outlets for the remaining period of the year as a result of the improved market sentiment through the strategic identification and opening of new outlets, 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 satisfactory for 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		9 months ended	
	30/09/09	30/09/08	30/09/09	30/09/08
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax				
- current	90	35	269	99
- under/(over) provision in prior years	-	15	19	15
	<u>90</u>	<u>50</u>	<u>288</u>	<u>114</u>
Deferred taxation	(3)	38	4	(16)
<b>TOTAL</b>	<u>87</u>	<u>88</u>	<u>292</u>	<u>98</u>

The effective tax rate for the financial period ended 30 September 2009 and 30 September 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.

## **DISCCOMP BERHAD**

(Company No. 55420-P)  
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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 September 2009.

### **B8 Corporate Proposals**

The Group does not have any corporate proposals announced but not completed as at 18 November 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 September 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 September 2009.

**DISCCOMP BERHAD**

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

**B13 Profit Per Share****Basic**

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

	3 months ended		9 months ended	
	30/09/09	30/09/08	30/09/09	30/09/08
Profit attributable to the equity holders of the parent (RM'000)	133	143	274	379
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic profit per share (sen)	0.27	0.29	0.56	0.78

There were no potential dilutive components in the shareholdings of Disccomp as at 30 September 2009 and 30 September 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: 25 November 2009