



DISCCOMP BERHAD

QUARTERLY REPORT
For the Fourth Quarter
Ended 31 December 2009

Interim Financial Report
(Unaudited)

DISCCOMP BERHAD(Company No. 55420-P)
(Incorporated in Malaysia)**Condensed Consolidated Income Statements
For the Fourth Quarter Ended 31 December 2009**

(The figures below are unaudited)

	Individual quarter		Cumulative quarter	
	31.12.2009 RM'000	31.12.2008 RM'000	31.12.2009 RM'000	31.12.2008 RM'000
Revenue	10,387	8,530	37,522	32,891
Operating expenses	(10,192)	(8,301)	(36,526)	(32,077)
Depreciation and amortisation	(97)	(116)	(431)	(466)
Other income	49	40	115	232
Operating profit	147	153	680	580
Interest expenses	(2)	(3)	(11)	(18)
Interest income	26	25	127	91
Profit before taxation	171	175	796	653
Taxation	(66)	(88)	(358)	(186)
Profit after taxation	105	87	438	467
Attributable to:				
Equity holders of the parent	92	126	366	505
Minority Interest	13	(39)	72	(38)
	105	87	438	467
Profit per share				
From continuing operations:				
Basic (sen)	0.19	0.26	0.75	1.04
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 31 December 2009**

(The figures below are unaudited)

	Unaudited As at 31.12.09 RM'000	Audited As at 31.12.08 RM'000
ASSETS		
Non-Current assets		
Property, plant and equipment	1,581	1,839
Other investments	3	145
	<u>1,584</u>	<u>1,984</u>
Current assets		
Inventories	6,627	4,420
Trade and others receivables	7,904	6,727
Fixed deposits with licensed banks	6,230	9,880
Cash and bank balances	3,554	1,735
	<u>24,315</u>	<u>22,762</u>
TOTAL ASSETS	<u>24,899</u>	<u>24,746</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	24,250	24,250
Reserves	878	28
Accumulated losses	(2,946)	(2,462)
	<u>22,182</u>	<u>21,816</u>
Minority shareholders' interests	881	1,007
Total equity	<u>23,063</u>	<u>22,823</u>
Non-current liabilities		
Deferred liabilities	30	59
Deferred tax liabilities	209	190
	<u>239</u>	<u>249</u>
Current liabilities		
Trade and other payables	2,588	1,659
Taxation	9	15
	<u>2,597</u>	<u>1,674</u>
Total liabilities	<u>2,836</u>	<u>1,923</u>
TOTAL EQUITY AND LIABILITIES	<u>25,899</u>	<u>24,746</u>
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 Fourth Quarter Ended 31 December 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	-	-	366	366	72	438
Disposal of subsidiary companies	-	-	-	-	(198)	(198)
Capitalisation of bonus issued	-	850	(850)	-	-	-
At 31 December 2009	<u>24,250</u>	<u>878</u>	<u>(2,946)</u>	<u>22,182</u>	<u>881</u>	<u>23,063</u>
At 1 January 2008	24,250	30	(2,969)	21,311	1,065	22,376
Profit for the financial period	-	-	505	505	(38)	467
Disposal of a subsidiary company	-	(2)	2	-	(4)	(4)
Dividend paid to minority shareholder	-	-	-	-	(16)	(16)
At 31 December 2008	<u>24,250</u>	<u>28</u>	<u>(2,462)</u>	<u>21,816</u>	<u>1,007</u>	<u>22,823</u>

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 Fourth Quarter Ended 31 December 2009**

(The figures below are unaudited)

	12 months ended	
	31.12.09 RM'000	31.12.08 RM'000
Cash flows from operating activities		
Net profit before tax	796	653
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	431	466
Interest expenses	11	18
Interest income	(127)	(91)
Non-cash items	720	1,247
Operating profit before changes in working capital	1,831	2,293
Changes in working capital:		
Net change in current assets	(4,243)	1,038
Net change in current liabilities	983	(86)
Net cash (used)/ generated by operations	(1,429)	3,245
Interest paid	(11)	(18)
Tax (paid)/ refund	(346)	235
Net cash (used)/ generated by operating activities	(1,786)	3,462
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	39	63
Purchase of property, plant and equipment	(202)	(201)
Net cash inflow from disposal of a subsidiary company	70	539
Interest received	127	91
Net cash used in investing activities	34	492
Cash flows from financing activities		
Repayment of hire purchase liabilities	(79)	(83)
Dividend paid to minority shareholder	-	(16)
Net cash used in financing activities	(79)	(99)
Net (decreased)/increase in cash and cash equivalents	(1,831)	3,855
Cash and cash equivalents at beginning of the year	11,585	7,730
Cash and cash equivalents at end of the year	9,754	11,585

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 FOURTH QUARTER ENDED 31 DECEMBER 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 (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		12 months ended	
	31.12.09	31.12.08	31.12.09	31.12.08
<u>Segment Revenue</u>	RM'000	RM'000	RM'000	RM'000
Manufacturing	-	2	-	2
Trading	14,607	11,996	53,852	46,446
Total revenue including inter-segment sales	14,607	11,998	53,852	46,448
Elimination of inter-segment sales	(4,220)	(3,468)	(16,330)	(13,557)
Total revenue	10,387	8,530	37,522	32,891
<u>Segment Results</u>	RM'000	RM'000	RM'000	RM'000
Profit/(loss) from operations:				
Manufacturing	24	5	(134)	(441)
Trading	123	148	814	1,021
	147	153	680	580
Profit/(loss) before taxation:				
Manufacturing	24	5	(134)	(441)
Trading	147	170	930	1,094
	171	175	796	653

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

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



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 16 November 2009 entered into a Sale and Purchase Agreement of shares with Mr. Yeo Eng Hiong (NRIC No. 610310-13-5073) for the disposal by the Company of 229,500 Ordinary Shares of RM1.00 each representing 51% of the issued and paid-up share capital of SC Multimedia (EM) Sdn Bhd ("SCEM"), for a total cash consideration of RM135,742.19. Upon the disposal of SCEM by the Company, SCEM would cease to be a subsidiary of Disccomp.

During the current financial year to date, 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 Pineapple Computer Systems Sdn Bhd, which in turn a 92.16%-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 cease 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 31 December 2009 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

DISCCOMP BERHAD

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



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:

	12 months ended 31.12.09 RM'000	12 months ended 31.12.08 RM'000
a) Sales of goods to		
i) <u>Subsidiaries</u>		
PCS	8,952	7,239
PCA	2,648	1,992
PST	3,225	1,924
SCEM	-	385
PCSB	-	152
b) Purchase of goods from		
i) <u>Subsidiaries</u>		
PCS	19	19
PCA	4	40
PST	49	274
SCEM	151	-
c) Others		
i) <u>Related Parties</u>		
Rental of premises paid to CHRB Group	180	180
Rental of premises received from CHRB Group	36	24
Water & electricity received from CHRB Group	16	10
ii) <u>Subsidiaries</u>		
Rental income received from subsidiary companies	30	45
Management fees received from subsidiary companies	60	90

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

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

**A16 Cash and cash equivalents**

	12 months ended	
	31/12/09	31/12/08
	RM'000	RM'000
Fixed deposit with a licensed bank	6,230	9,880
Cash and bank balances	3,554	1,735
	<hr/>	<hr/>
	9,784	11,615
Less : Fixed Deposits pledged	(30)	(30)
	<hr/>	<hr/>
	9,754	11,585

[The rest of the page is intentionally left blank]

DISCCOMP BERHAD(Company No. 55420-P)
(Incorporated in Malaysia)**SECTION B****Explanatory Notes Pursuant to Rule 9.22(2) and Appendix 9B of the ACE LR.****B1 Performance Review**

	3 months ended		12 months ended	
	31/12/09	31/12/08	31/12/09	31/12/08
	RM'000	RM'000	RM'000	RM'000
Revenue	10,387	8,530	37,522	32,891
Profit before taxation	171	175	796	653

The Group's revenue for the fourth quarter and twelve (12) months for the financial year ended 31 December 2009 have increased by approximately 21.8% and 14.1% respectively as compared to the corresponding periods of 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 a profit before tax of RM171,000 for the fourth quarter of 2009 as compared to RM175,000 in the corresponding financial period, while for the twelve (12) months of the financial period ended 31 Dec 2009 it was RM796,000 as compared to RM653,000 in the corresponding financial period.

B2 Comment on Material Change in Profit Before Taxation

	3 months ended	
	31/12/09	30/09/09
	RM'000	RM'000
Revenue	10,387	9,955
Profit before taxation	171	246

During the financial quarter under review, the Group recorded a lower profit before taxation of approximately RM171,000 as compared to RM246,000 for the preceding quarter ended 30 September 2009. This was mainly due to obsolete stock written off during the quarter.

DISCCOMP BERHAD

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



B3 Commentary on Prospects

The domestic retail industry is expected to be buoyant with the recovery in the local and international market, resulting in a higher consumer spending power which incidentally augurs well for the Group's business.

The Group have plans to increase further the revenue by setting new retail outlets especially in the outstation areas and adding new product, such as Global Positioning System ("GPS") as a core product to the line.

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 2010

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		12 months ended	
	31/12/09	31/12/08	31/12/09	31/12/08
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax				
- current	51	41	320	140
- under/(over) provision in prior years	-	(9)	19	6
	<u>51</u>	<u>32</u>	<u>339</u>	<u>146</u>
Deferred taxation	15	56	19	40
TOTAL	<u>66</u>	<u>88</u>	<u>358</u>	<u>186</u>

The effective tax rate for the financial year ended 31 December 2009 and 31 December 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)
(Incorporated in Malaysia)



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 31 December 2009.

B8 Corporate Proposals

The Group does not have any corporate proposals announced but not completed as at 16th February 2010 (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 31 December 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 31 December 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		12 months ended	
	31/12/09	31/12/08	31/12/09	31/12/08
Profit attributable to the equity holders of the parent (RM'000)	92	126	366	505
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic profit per share (sen)	0.19	0.26	0.75	1.04

There were no potential dilutive components in the shareholdings of Disccomp as at 31 December 2009 and 31 December 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: 23 February 2010