



**DISCCOMP GROUP**

## **DISCCOMP BERHAD**

Condensed Consolidated Financial Statements  
For the Quarter and Six Months Ended  
30 June 2010

**DISCCOMP BERHAD**(Company No. 55420-P)  
(Incorporated in Malaysia)**Condensed Consolidated Statement of Comprehensive Income  
For the quarter and six months ended 30 June 2010**

(The figures below are unaudited)

	Individual quarter		Cumulative quarter	
	30-Jun-10 RM'000	30-Jun-09 RM'000	30-Jun-10 RM'000	30-Jun-09 RM'000
<b>Revenue</b>	12,602	9,328	23,044	17,180
Operating expenses	(12,140)	(9,043)	(22,196)	(16,690)
Depreciation and amortisation	(92)	(109)	(184)	(223)
Other income	30	21	74	36
<b>Operating profit</b>	400	197	738	303
Interest expenses	(1)	(3)	(3)	(6)
Interest income	10	37	36	82
<b>Profit before taxation</b>	409	231	771	379
Taxation	(204)	(89)	(313)	(205)
<b>Profit for the period</b>	205	142	458	174
Other Comprehensive Income net of tax	-	-	-	-
<b>Total Comprehensive Income for the period</b>	205	142	458	174
<b>Profit attributable to:</b>				
Owner of the parent	163	133	404	141
Non-Controlling Interest	42	9	54	33
<b>Profit for the period</b>	205	142	458	174
<b>Total comprehensive income attributable to:</b>				
Owner of the parent	163	133	404	141
Non-Controlling Interest	42	9	54	33
<b>Total comprehensive income for the period</b>	205	142	458	174
<b>Earning per share (sen)</b>				
Basic earning per share	0.34	0.27	0.83	0.29
Diluted earning per share	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and accompanying explanatory notes attached to the interim financial statements.

**DISCCOMP BERHAD**(Company No. 55420-P)  
(Incorporated in Malaysia)**Condensed Consolidated Statement of Financial Position****As at 30 June 2010**

(The figures below are unaudited)

	<b>Unaudited As at 30-Jun-10 RM'000</b>	<b>Audited As at 31-Dec-09 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant and equipment	1,601	1,581
Investment	4	4
	<u>1,605</u>	<u>1,585</u>
<b>Current assets</b>		
Inventories	5,082	6,627
Trade and others receivables	9,048	7,904
Fixed deposits with licensed banks	4,038	6,230
Cash and bank balances	6,648	3,554
	<u>24,816</u>	<u>24,315</u>
<b>TOTAL ASSETS</b>	<b><u>26,421</u></b>	<b><u>25,900</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	24,250	24,250
Capital Reserves	878	878
Accumulated losses	(2,730)	(2,946)
	<u>22,398</u>	<u>22,182</u>
<b>Non-controlling interest</b>	924	881
<b>Total equity</b>	<u>23,322</u>	<u>23,063</u>
<b>Non-current liabilities</b>		
Deferred liabilities	19	30
Deferred tax liabilities	215	209
	<u>234</u>	<u>239</u>
<b>Current liabilities</b>		
Trade and other payables	2,730	2,589
Taxation	135	9
	<u>2,865</u>	<u>2,598</u>
<b>Total liabilities</b>	<u>3,099</u>	<u>2,837</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>26,421</u></b>	<b><u>25,900</u></b>
Net assets per share attributable to ordinary Owner of the parent (RM)	0.46	0.46

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and accompanying explanatory notes attached to the interim financial statements.*

**DISCCOMP BERHAD**

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

**Condensed Consolidated Statement of Changes in Equity**

**For the six months ended 30 June 2010**

(The figures below are unaudited)

	← Attributable to owner of the Parent →					
	Share capital RM'000	Non - distributable Capital reserves RM'000	Distributable Accumulated profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2010	24,250	878	(2,946)	<b>22,182</b>	881	<b>23,063</b>
Effects of applying FRS 139			(188)	<b>(188)</b>	-	<b>(188)</b>
<b>At 1 January 2010, restated balance</b>	<b>24,250</b>	<b>878</b>	<b>(3,134)</b>	<b>21,994</b>	<b>881</b>	<b>22,875</b>
Total comprehensive income for the financial period	-	-	404	<b>404</b>	54	<b>458</b>
Dividend paid to minority shareholders	-	-	-	-	(11)	<b>(11)</b>
<b>At 30 June 2010</b>	<b>24,250</b>	<b>878</b>	<b>(2,730)</b>	<b>22,398</b>	<b>924</b>	<b>23,322</b>
At 1 January 2009	24,250	28	(2,462)	<b>21,816</b>	1,007	<b>22,823</b>
Total comprehensive income for the financial period	-	-	141	<b>141</b>	33	<b>174</b>
<b>At 30 June 2009</b>	<b>24,250</b>	<b>28</b>	<b>(2,321)</b>	<b>21,957</b>	<b>1,040</b>	<b>22,997</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and accompanying explanatory notes attached to the interim financial statements.

**DISCCOMP BERHAD**(Company No. 55420-P)  
(Incorporated in Malaysia)**Condensed Consolidated Statement of Cash Flows  
For the six months ended 30 June 2010**

(The figures below are unaudited)

	6 months ended	
	30-Jun-10 RM'000	30-Jun-09 RM'000
<b>Cash flows from operating activities</b>		
Net profit before tax	771	379
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	184	223
Interest expenses	3	6
Interest income	(36)	(82)
Non-cash items	136	337
Operating profit before changes in working capital	1,058	863
Changes in working capital:		
Net change in current assets	33	(2,227)
Net change in current liabilities	150	423
Net cash generated from operations	1,241	(941)
Interest paid	(3)	(6)
Tax paid	(138)	(90)
Net cash generated from/ (used in) operating activities	1,100	(1,037)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(204)	(16)
Interest received	36	82
Net cash (used in)/ generated from investing activities	(168)	66
<b>Cash flows from financing activities</b>		
Repayment of hire purchase liabilities	(19)	(40)
Dividend paid to minority shareholders	(11)	-
Increase in fixed deposit pledged	(8)	-
Net cash used in financing activities	(38)	(40)
Net increase/(decreased) in cash and cash equivalents	894	(1,011)
Cash and cash equivalents at beginning of the period	9,754	11,585
<b>Cash and cash equivalents at end of the period</b>	<b>10,648</b>	<b>10,574</b>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and accompanying explanatory notes attached to the interim financial statements*

**PART A- EXPLANATORY NOTES PURSUANT TO FRS 134****1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ( "FRS" ), FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ( "Bursa Malaysia" ).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an 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 2009.

The interim financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in audited financial statements for the financial year ended 31 December 2009, EXCEPT for the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretation which are applicable to its financial statements:

FRS 7	Financial Instruments: Disclosures.
FRS 8	Operating Segments.
FRS 101	Presentation of Financial Statements.(revised)
FRS 123	Borrowing Costs (revised).
FRS 139	Financial Instruments: Recognition and Measurement.
Amendments to FRS 7	Financial Instruments: Disclosure
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events after Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

The Principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:

## DISCCOMP BERHAD

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



### (a) FRS 8, Operating Segments

FRS 8, requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segment. This standard does not have any impact on the financial position and results of the Group.

### (b) FRS 101, Presentation of Financial Statements

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

### (c) FRS 139, Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives were recognised on their settlement dated. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dated when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

	<b>Category</b>	<b>Measurement basis</b>
1	Financial instruments at fair value through profit loss	At fair value through profit or loss
2	Held –to-maturity investments	At amortised costs effective interest method
3	Loans and receivables	At amortised costs effective interest method
4	Available-for-sale investment	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
5	Loans and other financial liabilities	At amortised cost effective interest method

In accordance with FRS 139, the recognition, derecognition, measurement and hedge accounting requirements are applied prospectively from 1 January 2010. The effects of the remeasurement on 1 January 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained earnings as disclosed in the statement of changes in equity.

**DISCCOMP BERHAD**

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



The adoption of the above new policies has the following effects:

	Retained Profit/ (loss) RM'000
At 1 January 2010, as previously stated	(2,946)
Adjustments arising from adoption of FRS 139:	
-Loan and receivables	(188)
At 1 January 2010, as restated	<u>(3,134)</u>

The adoption of the other new and revised FRSs, IC Interpretations and Amendments has no material effect to the Group's consolidated financial statements of the quarter or the comparative consolidated financial statements of the prior financial year.

**2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2009 was not qualified.

**3. Seasonality or Cyclicity of interim operations**

The Group's operations were not significantly affected by any unusual seasonal or cyclical factors.

**4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter and six months ended 30 June 2010.

**5. Changes in Estimates**

There were no changes in estimates that have had a material effect during the quarter and six months ended 30 June 2010.

**6. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the quarter and six months ended 30 June 2010.

**7. Dividends Paid**

No dividend has been paid during the quarter and six months ended 30 June 2010.



## **DISCCOMP BERHAD**

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



### **8. Segmental Information**

As the Group is principally involved in the trading and distribution of full range of computer peripherals and accessories within Malaysia, therefore there is no segment information has been presented.

### **9. Carrying Amount of Revalued Assets**

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.

### **10. Material Events Subsequent to the Balance Sheet Date**

There were no material events which occurred subsequent to the balance sheet date until the date of this announcement.

### **11. Changes in the Composition of the Group**

There were no significant changes in the composition of the Group during the quarter and six months ended 30 June 2010.

### **12. Contingent Liabilities/Contingent Assets**

There were no changes in contingent liabilities/contingent assets since the last annual balance sheet date as at 31 December 2009.

### **13. Capital Commitments**

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

### **14. 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;

Other related parties included:

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

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

The significant related party transactions are as follows:

	6 months ended 30/06/10 RM'000	6 months ended 30/06/09 RM'000
<b>a) Sales of goods to</b>		
i) <u>Subsidiaries</u>		
PCS	5,480	4,139
PCA	1,654	1,243
PST	2,625	1,520
<b>b) Purchase of goods from</b>		
i) <u>Subsidiaries</u>		
PCS	5	17
PCA	0	4
PST	22	14
<b>c) Others</b>		
i) <u>Related Parties</u>		
Rental of premises paid to CHRB Group	90	90
Rental of premises received from CHRB Group	24	12
Water & electricity received from CHRB Group	11	5
ii) <u>Subsidiaries</u>		
Rental income received from subsidiary companies	15	15
Management fees received from subsidiary companies	30	30

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.

**15. Cash and Cash Equivalents**

	6 months ended	
	30/06/10 RM'000	30/06/09 RM'000
Fixed deposit with a licensed bank	4,038	6,030
Cash and bank balances	6,648	4,574
	<hr/> 10,686	<hr/> 10,604
Less : Fixed Deposits pledged	(38)	(30)
	<hr/> 10,648	<hr/> 10,574

**DISCCOMP BERHAD**

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

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****16. Performance Review**

	3 months ended		6 months ended	
	30/06/10	30/06/09	30/06/10	30/06/09
	RM'000	RM'000	RM'000	RM'000
Revenue	12,602	9,328	23,044	17,180
Profit before taxation	409	231	771	379

The Group's revenues for the second quarter and six (6) months financial period ended 30 June 2010 have increased by approximately 35% and 34% respectively as compared to the corresponding financial period in the preceding financial year. The increases in revenue were mainly from the performances of the newly opened retail outlets, Information Technology ("IT") fairs and road shows held during the period under review.

The Group have also achieved better profits before tax of RM409,000 for the second quarter and RM771,000 for the six (6) months financial period ended 30 June 2010 as compared to RM231,000 and RM379,000 in the corresponding financial period ended 30 June 2009. These were mainly due to the increase in revenues achieved during the period under review.

**17. Variation of Results Against Preceding Quarter**

	3 months ended	
	30/06/10	31/03/10
	RM'000	RM'000
Revenue	12,602	10,442
Profit before taxation	409	362

During the financial quarter under review, the Group recorded a profit before taxation of approximately RM409,000 as compared to RM362,000 for the preceding quarter ended 31 March 2010. This was mainly due to increase in revenue.

## DISCCOMP BERHAD

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



### 18. Commentary on Prospects

With the growth in GDP and the improved confidence in consumer's spending, the group is optimistic of the growth in the retail industry and will continue to increase its revenue and expand its business by adding more retail outlets, especially in outstation area. It will also continue with the proven strategies of focusing on its core products of printing peripherals and consumables by improving its quality and services to the customers.

### 19. Profit Forecast and Profit Guarantee

The Group did not announce any profit forecast or profit guarantee for the financial year ending 31 December 2010.

### 20. Income Tax Expenses

	3 months ended		6 months ended	
	30/06/10	30/06/09	30/06/10	30/06/09
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax				
- current	232	61	340	179
- under/(over) provision in prior years	-32	19	-32	19
	<u>200</u>	<u>80</u>	<u>308</u>	<u>198</u>
Deferred taxation	4	9	5	7
TOTAL	<u>204</u>	<u>89</u>	<u>313</u>	<u>205</u>

The effective tax rate for the financial period ended 30 June 2010 and 30 June 2009 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.

### 21. Sale of Unquoted Investment and Properties

There were no sales of unquoted investments and properties during the quarter and six months ended 30 June 2010.

### 22. Quoted Securities

(a) There were no purchases or disposals of quoted securities during the quarter and six months ended 30 June 2010.

(b) There were no investments in quoted securities as at 30 June 2010.

## DISCCOMP BERHAD

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



### 23. Corporate Proposals

The Group does not have any corporate proposals announced but not completed as at the date of this report.

### 24. Borrowings and Debt Securities

The Group does not have any borrowings or debt securities as at 30 June 2010.

### 25. Off Balance Sheet Financial Instruments

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

### 26. Changes in Material Litigation

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

### 27. Dividend

No dividend has been declared or recommended for payment for the quarter ended 30 June 2010.

### 28. Profit Per Share

#### Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the parent for the period by the total average number of ordinary shares of the Company in issue for the respective period as follows:

	3 months ended		6 months ended	
	30/06/10	30/06/09	30/06/10	30/06/09
Profit attributable to the owners of the parent (RM'000)	163	133	404	141
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic profit per share (sen)	0.34	0.27	0.83	0.29

There were no potential dilutive components in the shareholdings of Disccomp as at 30 June 2010 and 30 June 2009.

**DISCCOMP BERHAD**

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



**29. 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: 27 August 2010