



DISCCOMP GROUP

DISCCOMP BERHAD

Interim Financial Report
For the Quarter and Three Months Ended
31 March 2011

DISCCOMP BERHAD(Company No. 55420-P)
(Incorporated in Malaysia)**Condensed Consolidated Statement of Comprehensive Income
For the quarter and three months ended 31 March 2011**

(The figures below are unaudited)

	Individual quarter		Cumulative quarter	
	31-Mar-11 RM'000	31-Mar-10 RM'000	31-Mar-11 RM'000	31-Mar-10 RM'000
Revenue	10,521	10,442	10,521	10,442
Operating expenses	(10,088)	(10,056)	(10,088)	(10,056)
Depreciation and amortisation	(81)	(92)	(81)	(92)
Other income	74	44	74	44
Operating profit	426	338	426	338
Interest expenses	(1)	(2)	(1)	(2)
Interest income	29	26	29	26
Profit before taxation	454	362	454	362
Taxation	(129)	(109)	(129)	(109)
Profit for the period	325	253	325	253
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	325	253	325	253
Profit attributable to:				
Owner of the parent	297	241	297	241
Non-Controlling Interest	28	12	28	12
Profit for the period	325	253	325	253
Total comprehensive income attributable to:				
Owner of the parent	297	241	297	241
Non-Controlling Interest	28	12	28	12
Total comprehensive income for the period	325	253	325	253
Earning per share (sen)				
Basic earning per share	0.61	0.50	0.61	0.50
Diluted earning per share	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2010.

DISCCOMP BERHAD(Company No. 55420-P)
(Incorporated in Malaysia)**Condensed Consolidated Statement of Financial Position****As at 31 March 2011**

(The figures below are unaudited)

	Unaudited As at 31-Mar-11 RM'000	Audited As at 31-Dec-10 RM'000
ASSETS		
Non-Current assets		
Property, plant and equipment	1,503	1,546
Investment	-	-
	<u>1,503</u>	<u>1,546</u>
Current assets		
Inventories	5,665	4,800
Trade and others receivables	6,931	8,150
Fixed deposits with licensed banks	10,038	8,538
Cash and bank balances	3,410	4,370
	<u>26,044</u>	<u>25,858</u>
TOTAL ASSETS	<u>27,547</u>	<u>27,404</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	24,250	24,250
Capital Reserves	878	878
Accumulated losses	(1,605)	(1,902)
	<u>23,523</u>	<u>23,226</u>
Non-controlling interest	1,045	1,017
Total equity	<u>24,568</u>	<u>24,243</u>
Non-current liabilities		
Deferred liabilities	3	9
Deferred tax liabilities	227	222
	<u>230</u>	<u>231</u>
Current liabilities		
Trade and other payables	2,652	2,930
Taxation	97	-
	<u>2,749</u>	<u>2,930</u>
Total liabilities	<u>2,979</u>	<u>3,161</u>
TOTAL EQUITY AND LIABILITIES	<u>27,547</u>	<u>27,404</u>
Net assets per share attributable to ordinary Owner of the parent (RM)	0.49	0.48

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2010.

DISCCOMP BERHAD

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

**Condensed Consolidated Statement of Changes in Equity**

For the three months ended 31 March 2011

(The figures below are unaudited)

	← Attributable to owner of the Parent →					
	Share capital RM'000	Non - distributable Capital reserves RM'000	Distributable Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2011	24,250	878	(1,902)	23,226	1,017	24,243
Total comprehensive income for the financial period	-	-	297	297	28	325
At 31 March 2011	24,250	878	(1,605)	23,523	1,045	24,568
At 1 January 2010	24,250	878	(2,946)	22,182	881	23,063
Effects of applying FRS 139			(188)	(188)	-	(188)
At 1 January 2010, restated balance	24,250	878	(3,134)	21,994	881	22,875
Total comprehensive income for the financial period	-	-	241	241	12	253
At 31 March 2010	24,250	878	(2,893)	22,235	893	23,128

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2010.

DISCCOMP BERHAD(Company No. 55420-P)
(Incorporated in Malaysia)**Condensed Consolidated Statement of Cash Flows
For the three months ended 31 March 2011**

(The figures below are unaudited)

	3 months ended	
	31-Mar-11	31-Mar-10
	RM'000	RM'000
Cash flows from operating activities		
Net profit before tax	454	362
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	81	92
Interest expenses	1	2
Interest income	(29)	(26)
Non-cash items	63	173
Operating profit before changes in working capital	570	603
Changes in working capital:		
Net change in current assets	346	1,662
Net change in current liabilities	(278)	(115)
Net cash generated from operations	638	2,150
Interest paid	(1)	(2)
Tax paid	(82)	(60)
Net cash generated from operating activities	555	2,088
Cash flows from investing activities		
Purchase of property, plant and equipment	(39)	(145)
Interest received	29	26
Net cash used in investing activities	(10)	(119)
Cash flows from financing activities		
Repayment of hire purchase liabilities	(5)	(13)
Increase in fixed deposit pledged	-	(8)
Net cash used in financing activities	(5)	(21)
Net increase in cash and cash equivalents	540	1,948
Cash and cash equivalents at beginning of the period	12,870	9,754
Cash and cash equivalents at end of the period	13,410	11,702

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Interim Financial Reports and the audited financial statement of the Company for the financial year ended 31 December 2010.

DISCCOMP BERHAD

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

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

This interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134 (Interim Financial Reporting) and paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2010. 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 2010.

The accounting policies, methods of computation and basis of consolidation adopted by the Group in these interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 31 December 2010.

2. Realised and Unrealised Profits/(Losses)

	Accumulated Quarter ended 31/03/2011 RM'000	Accumulated Quarter ended 31/12/2010 RM'000
Total (accumulated losses) of the Company and its subsidiaries:		
- Realised	(1,365)	(1,671)
-Unrealised	60	69
	<hr/>	<hr/>
	(1,305)	(1,602)
Less: Consolidation adjustments	(300)	(300)
	<hr/>	<hr/>
Total Group (accumulated losses) as per consolidated accounts	(1,605)	(1,902)

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2010 was not qualified.

4. Seasonality or Cyclicity of interim operations

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

DISCCOMP BERHAD

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



5. 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 three months ended 31 March 2011.

6. Changes in Estimates

There were no changes in estimates that have had a material effect during the quarter and three months ended 31 March 2011.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the quarter and three months ended 31 March 2011.

8. Dividends Paid

No dividend has been paid during the quarter and three months ended 31 March 2011.

9. 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.

10. 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.

11. 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.

12. Changes in the Composition of the Group

There were no significant changes in the composition of the Group during the quarter and three months ended 31 March 2011.

13. Contingent Liabilities/Contingent Assets

There were no changes in contingent liabilities/contingent assets since the last annual balance sheet date as at 31 December 2010.

DISCCOMP BERHAD

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



14. Capital Commitments

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

15. 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");

The significant related party transactions are as follows:

	3 months ended 31/03/11 RM'000	3 months ended 31/03/10 RM'000
a) Sales of goods to		
i) <u>Subsidiaries</u>		
PCS	2,651	2,780
PCA	931	840
PST	1,692	1,308
b) Purchase of goods from		
i) <u>Subsidiaries</u>		
PCS	0	2
PCA	0	0
PST	73	22
c) Others		
i) <u>Related Parties</u>		
Rental of premises paid to CHRB Group	45	45
Rental of premises received from CHRB Group	12	12
Water & electricity received from CHRB Group	5	5
ii) <u>Subsidiaries</u>		
Rental income received from subsidiary companies	8	8
Management fees received from subsidiary companies	15	15

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)

**16. Cash and Cash Equivalents**

	3 months ended	
	31/03/11	31/03/10
	RM'000	RM'000
Fixed deposit with a licensed bank	10,038	3,538
Cash and bank balances	3,410	8,202
	<hr/>	<hr/>
	13,448	11,740
Less : Fixed Deposits pledged	(38)	(38)
	<hr/>	<hr/>
	13,410	11,702

=====
[The rest of the page is intentionally left blank]
=====

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

17. Performance Review

	3 months ended	
	31/03/11	31/03/10
	RM'000	RM'000
Revenue	10,521	10,442
Profit before taxation	454	362

The Group's revenue for the three (3) months financial period ended 31 March 2011 was relatively unchanged as compared to the corresponding period of the preceding financial year while the profit before tax increased by about RM92,000 as a result of slightly better profit margin.

18. Variation of Results Against Preceding Quarter

	3 months ended	
	31/03/11	31/12/10
	RM'000	RM'000
Revenue	10,521	12,310
Profit before taxation	454	623

The Group recorded a profit before taxation of approximately RM454,000 as compared to RM623,000 for the preceding quarter ended 31 December 2010. This was mainly due to decrease in revenue during the financial quarter under review.

19. Commentary on Prospects

The Malaysian economy has registered a growth of about 7.2% during the fiscal year 2010 and has recorded growth of 4.6% for the first quarter of 2011. Domestic demand which expanded by 6.6% for the first quarter of 2011 is expected to strengthen consumer spending in the forthcoming periods.

In anticipation of the sustainable growth in the retail industry, the Group will continue with the expansion plan of adding more retail outlets, especially in outstation areas. The Board is optimistic that these will contribute to the Group's performance.

The Group 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.

20. Profit Forecast and Profit Guarantee

The Group did not announce any profit forecast or profit guarantee for the financial year ending 31 December 2011.

DISCCOMP BERHAD

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

**21. Income Tax Expenses**

	3 months ended	
	31/03/11	31/03/10
	RM'000	RM'000
Malaysia income tax		
- current	125	108
- under/(over) provision in prior years	-	-
	<hr/>	<hr/>
	125	108
Deferred taxation	4	1
	<hr/>	<hr/>
TOTAL	129	109

The effective tax rate for the financial period ended 31 March 2011 and 31 March 2010 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.

22. Sale of Unquoted Investment and Properties

There were no sales of unquoted investments and properties during the quarter and three months ended 31 March 2011.

23. Quoted Securities

- (a) There were no purchases of quoted securities during the quarter and three months ended 31 March 2011.
- (b) There were no investments in quoted securities as at 31 March 2011.

24. Corporate Proposals

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

25. Borrowings and Debt Securities

The Group does not have any borrowings or debt securities as at 31 March 2011.

26. Off Balance Sheet Financial Instruments

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

27. Changes in Material Litigation

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

DISCCOMP BERHAD

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

**28. Dividend**

No dividend has been declared or recommended for payment for the quarter ended 31 March 2011.

29. Earnings 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	
	31/03/11	31/03/10
Profit attributable to the owners of the parent (RM'000)	297	241
Total number of ordinary Shares in issue ('000)	48,500	48,500
Basic earnings per share (sen)	0.61	0.50

There were no potential dilutive components in the shareholdings of Disccomp as at 31 March 2011 and 31 March 2010.

30. 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: 26 May 2011