



DISCCOMP GROUP

DISCCOMP BERHAD

Condensed Consolidated Financial Statements
For the Quarter and Nine Months Ended
30 September 2011

DISCCOMP BERHAD(Company No. 55420-P)
(Incorporated in Malaysia)**Condensed Consolidated Statement of Comprehensive Income
For the quarter and nine months ended 30 September 2011**

(The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	30-Sept-11 RM'000	30-Sept-10 RM'000	30-Sept-11 RM'000	30-Sept-10 RM'000
Revenue	9,210	9,172	31,800	32,216
Operating expenses	(9,054)	(8,784)	(30,640)	(30,980)
Depreciation and amortisation	(91)	(95)	(258)	(279)
Other income	81	23	266	97
Operating profit	146	316	1,168	1,054
Interest expenses	(1)	-	(2)	(3)
Interest income	44	29	120	65
Profit before tax	189	345	1,286	1,116
Tax Expenses	(41)	(16)	(395)	(329)
Profit for the period	148	329	891	787
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	148	329	891	787
Profit attributable to:				
Owner of the parent	131	283	798	687
Non-Controlling Interest	17	46	93	100
Profit for the period	148	329	891	787
Total comprehensive income attributable to:				
Owner of the parent	131	283	798	687
Non-Controlling Interest	17	46	93	100
Total comprehensive income for the period	148	329	891	787
Earning per share (sen)				
Basic earning per share	0.27	0.58	1.65	1.42
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 2010 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 September 2011**

(The figures below have not been audited)

	Unaudited As at 30-Sept-11 RM'000	Audited As at 31-Dec-10 RM'000
ASSETS		
Non-Current assets		
Property, plant and equipment	1,623	1,546
Investment	-	-
	<u>1,623</u>	<u>1,546</u>
Current assets		
Inventories	6,789	4,800
Trade and others receivables	5,703	8,150
Fixed deposits with licensed banks	8,854	8,538
Cash and bank balances	5,642	4,370
	<u>26,988</u>	<u>25,858</u>
TOTAL ASSETS	<u>28,611</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	(1,104)	(1,902)
	<u>24,024</u>	<u>23,226</u>
Non-controlling interest	1,110	1,017
Total equity	<u>25,134</u>	<u>24,243</u>
Non-current liabilities		
Deferred liabilities	52	9
Deferred tax liabilities	269	222
	<u>321</u>	<u>231</u>
Current liabilities		
Trade and other payables	3,156	2,930
Taxation	-	-
	<u>3,156</u>	<u>2,930</u>
Total liabilities	<u>3,477</u>	<u>3,161</u>
TOTAL EQUITY AND LIABILITIES	<u>28,611</u>	<u>27,404</u>
Net assets per share attributable to ordinary Owner of the parent (RM)	0.50	0.48

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and accompanying explanatory notes attached to the interim financial statements.

DISCCOMP BERHAD

(Company No. 55420-P)
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**Condensed Consolidated Statement of Changes in Equity**

For the nine months ended 30 September 2011

(The figures below have not been audited)

	← 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	-	-	798	798	93	891
At 30 September 2011	24,250	878	(1,104)	24,024	1,110	25,134
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	-	-	687	687	100	787
Dividend paid	-	-	-	-	(11)	(11)
At 30 September 2010	24,250	878	(2,447)	22,681	970	23,651

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 2010 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 nine months ended 30 September 2011**

(The figures below have not been audited)

	9 months ended	
	30-Sept-11	30-Sept-10
	RM'000	RM'000
Cash flows from operating activities		
Net profit before tax	1,286	1,116
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	258	279
Interest expenses	2	3
Interest income	(120)	(65)
Non-cash items	20	282
Operating profit before changes in working capital	1,446	1,615
Changes in working capital:		
Net change in current assets	442	2,590
Net change in current liabilities	219	(314)
Net cash (used)/ generated from operations	2,107	3,891
Interest paid	(2)	(3)
Tax paid	(384)	(237)
Net cash (used)/ generated from operating activities	1,721	3,651
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	34	4
Purchase of property, plant and equipment	(268)	(302)
Interest received	120	65
Net cash used in investing activities	(114)	(233)
Cash flows from financing activities		
Repayment of hire purchase liabilities	(19)	(24)
Dividend paid to minority shareholders	-	(11)
Increase in fixed deposit pledged	(16)	(8)
Net cash used in financing activities	(35)	(43)
Net increase in cash and cash equivalents	1,572	3,375
Cash and cash equivalents at beginning of the period	12,870	9,754
Cash and cash equivalents at end of the period	14,442	13,129

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and accompanying explanatory notes attached to the interim financial statements

DISCCOMP BERHAD

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

This interim financial statements of the Group are not audited 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 30/09/2011 RM'000	Accumulated Quarter ended 31/12/2010 RM'000
Total (accumulated losses) of the Company and its subsidiaries:		
- Realised	(865)	(1,671)
- Unrealised	61	69
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	(804)	(1,602)
Less: Consolidation adjustments	(300)	(300)
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Total Group (accumulated losses) as per consolidated accounts	(1,104)	(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.

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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 nine months ended 30 September 2011.

6. Changes in Estimates

There were no changes in estimates that have had a material effect during the quarter and nine months ended 30 September 2011.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the quarter and nine months ended 30 September 2011.

8. Dividends Paid

No dividend has been paid during the quarter and nine months ended 30 September 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 nine months ended 30 September 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.

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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:

	9 months ended 30/09/11 RM'000	9 months ended 30/09/10 RM'000
a) Sales of goods to		
i) <u>Subsidiaries</u>		
PCS	8,276	8,075
PCA	2,393	2,349
PST	3,877	3,714
b) Purchase of goods from		
i) <u>Subsidiaries</u>		
PCS	3	7
PCA	0	1
PST	80	39
c) Others		
i) <u>Related Parties</u>		
Rental of premises paid to CHRB Group	135	135
Rental of premises received from CHRB Group	36	36
Water & electricity received from CHRB Group	16	16
ii) <u>Subsidiaries</u>		
Rental income received from subsidiary companies	30	23
Management fees received from subsidiary companies	53	45

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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.

16. Cash and Cash Equivalents

	9 months ended	
	30/09/11	30/09/10
	RM'000	RM'000
Fixed deposit with a licensed bank	8,854	4,838
Cash and bank balances	5,642	8,329
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	14,496	13,167
Less : Fixed Deposits pledged	(54)	(38)
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	14,442	13,129

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**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		9 months ended	
	30/09/11	30/09/10	30/09/11	30/09/10
	RM'000	RM'000	RM'000	RM'000
Revenue	9,210	9,172	31,800	32,216
Profit before taxation	189	345	1,286	1,116

The Group's revenue for the third quarter and nine (9) months financial period ended 30 September 2011 was relatively unchanged as compared to the corresponding period of the preceding financial year.

The Group have achieved profits before tax of RM189,000 for the third quarter of the financial period ended 30 September 2011 as compared to RM345,000 of the previous year corresponding financial period ended 30 September 2010. This was mainly due to lower profit margin generated during the quarter under review.

The profits before tax of RM1,286,000 for the nine (9) months of the financial period ended 30 September 2011 as compared to RM1,116,000 respectively in the previous year corresponding financial period ended 30 September 2010. The 15% increase in profit was mainly due to the increase in other income during the period under review.

18. Variation of Results Against Preceding Quarter

	3 months ended	
	30/09/11	30/06/11
	RM'000	RM'000
Revenue	9,210	12,069
Profit before taxation	189	643

The Group recorded a profit before taxation of approximately RM189,000 as compared to RM643,000 for the preceding quarter ended 30 June 2011. This was mainly due to both the seasonal drop in revenue and coupled with lower profit margin due to market competition during the financial quarter under review.

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19. Commentary on Prospects

The trend for the retail industry is expected to be good for the year end festive season shopping and should see an increase in the business of IT related products too.

The Group is keeping inline with its direction of sourcing new products and participation in major IT/PC fairs, road shows and aggressive festive promotions to increase the Group's revenue.

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.

21. Income Tax Expenses

	3 months ended		9 months ended	
	30/09/11	30/09/10	30/09/11	30/09/10
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax				
- current	51	9	360	349
- under/(over) provision in prior years	-	-	(12)	(32)
	<u>51</u>	<u>9</u>	<u>348</u>	<u>317</u>
Deferred taxation	(10)	7	47	12
TOTAL	<u>41</u>	<u>16</u>	<u>395</u>	<u>329</u>

The effective tax rate for the financial period ended 30 September 2011 and 30 September 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 nine months ended 30 September 2011.

23. Quoted Securities

- (a) There were no purchases of quoted securities during the quarter and nine months ended 30 September 2011.
- (b) There were no investments in quoted securities as at 30 September 2011.

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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 30 September 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.

28. Dividend

No dividend has been declared or recommended for payment for the quarter ended 30 September 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		9 months ended	
	30/09/11	30/09/10	30/09/11	30/09/10
Profit attributable to the owners of the parent (RM'000)	131	283	798	687
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic earnings per share (sen)	0.27	0.58	1.65	1.42

There were no potential dilutive components in the shareholdings of Disccomp as at 30 September 2011 and 30 September 2010.

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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: 25 November 2011