



DISCCOMP GROUP

DISCCOMP BERHAD

Condensed Consolidated Financial Statements
For the Quarter and Twelve Months Ended
31 December 2011

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

(The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	31-Dec-11 RM'000	31-Dec-10 RM'000	31-Dec-11 RM'000	31-Dec-10 RM'000
Revenue	21,404	12,310	53,204	44,526
Operating expenses	(20,763)	(11,702)	(51,403)	(42,682)
Depreciation and amortisation	(100)	(94)	(358)	(373)
Other income	287	88	553	185
Operating profit	828	602	1,996	1,656
Interest expenses	(3)	(1)	(5)	(4)
Interest income	29	22	149	87
Profit before tax	854	623	2,140	1,739
Tax Expenses	(228)	(155)	(623)	(484)
Profit for the period	626	468	1,517	1,255
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	626	468	1,517	1,255
Profit attributable to:				
Owner of the parent	597	422	1,395	1,109
Non-Controlling Interest	29	46	122	146
Profit for the period	626	468	1,517	1,255
Total comprehensive income attributable to:				
Owner of the parent	597	422	1,395	1,109
Non-Controlling Interest	29	46	122	146
Total comprehensive income for the period	626	468	1,517	1,255
Earning per share (sen)				
Basic earning per share	1.23	0.87	2.88	2.29
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 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 31 December 2011**

(The figures below have not been audited)

	Unaudited As at 31-Dec-11 RM'000	Audited As at 31-Dec-10 RM'000
ASSETS		
Non-Current assets		
Property, plant and equipment	1,764	1,546
Investment	-	-
	<u>1,764</u>	<u>1,546</u>
Current assets		
Inventories	7,671	4,800
Trade and others receivables	15,476	8,150
Fixed deposits with licensed banks	1,053	8,538
Cash and bank balances	7,781	4,370
	<u>31,981</u>	<u>25,858</u>
TOTAL ASSETS	<u>33,745</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	(507)	(1,902)
	<u>24,621</u>	<u>23,226</u>
Non-controlling interest	1,139	1,017
Total equity	<u>25,760</u>	<u>24,243</u>
Non-current liabilities		
Deferred liabilities	71	9
Deferred tax liabilities	292	222
	<u>363</u>	<u>231</u>
Current liabilities		
Trade and other payables	7,622	2,930
Taxation	-	-
	<u>7,622</u>	<u>2,930</u>
Total liabilities	<u>7,985</u>	<u>3,161</u>
TOTAL EQUITY AND LIABILITIES	<u>33,745</u>	<u>27,404</u>
Net assets per share attributable to ordinary Owner of the parent (RM)	0.51	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)
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity**

For the twelve months ended 31 December 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	-	-	1,395	1,395	122	1,517
At 31 December 2011	24,250	878	(507)	24,621	1,139	25,760
At 1 January 2010	24,250	878	(2,947)	22,181	882	23,063
Effects of adopting FRS 139			(64)	(64)	-	(64)
At 1 January 2010, restated balance	24,250	878	(3,011)	22,117	882	22,999
Total comprehensive income for the financial period	-	-	1,109	1,109	146	1,255
Dividend paid	-	-	-	-	(11)	(11)
At 31 December 2010	24,250	878	(1,902)	23,226	1,017	24,243

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 twelve months ended 31 December 2011**

(The figures below have not been audited)

	12 months ended	
	31-Dec-11	31-Dec-10
	RM'000	RM'000
Cash flows from operating activities		
Net profit before tax	2,140	1,739
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	358	373
Interest expenses	5	4
Interest income	(149)	(87)
Non-cash items	(12)	281
Operating profit before changes in working capital	2,342	2,310
Changes in working capital:		
Net change in current assets	(9,678)	1,165
Net change in current liabilities	4,648	349
Net cash (used)/ generated from operations	(2,688)	3,824
Interest paid	(5)	(4)
Tax paid	(572)	(409)
Net cash (used)/ generated from operating activities	(3,265)	3,411
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	34	-
Proceeds from disposal of investments	-	4
Purchase of property, plant and equipment	(470)	(338)
Purchase of subsidiary company	(492)	-
Interest received	149	87
Dividend paid to minority interests	-	(11)
Net cash used in investing activities	(779)	(258)
Cash flows from financing activities		
Repayment of finance lease liabilities	(30)	(29)
Increase in fixed deposit pledged	(16)	(8)
Net cash used in financing activities	(46)	(37)
Net increase in cash and cash equivalents	(4,090)	3,116
Cash and cash equivalents at beginning of the period	12,870	9,754
Cash and cash equivalents at end of the year	8,780	12,870

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

(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 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 31/12/2011 RM'000	Accumulated Quarter ended 31/12/2010 RM'000
Total (accumulated losses) of the Company and its subsidiaries:		
- Realised	(213)	(1,671)
- Unrealised	6	69
	<hr/>	<hr/>
	(207)	(1,602)
Less: Consolidation adjustments	(300)	(300)
	<hr/>	<hr/>
Total Group (accumulated losses) as per consolidated accounts	(507)	(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 twelve months ended 31 December 2011.

6. Changes in Estimates

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

7. Debt and Equity Securities

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

8. Dividends Paid

No dividend has been paid during the quarter and twelve months ended 31 December 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 changes in the composition of the Group during the quarter and twelve months ended 31 December 2011, save for the following:-

- (a) the Company had on 9 December 2011 entered into a Sale and Purchase Agreement ("SPA") with AGVA Corporation Ltd to acquire 100% stake in AGVA Marketing Malaysia Sdn Bhd ("AMMSB"). The exercise involved the acquisition of 1,000,000 ordinary shares of RM1.00 each in the capital of AMM. Subsequent to the completion of the SPA on 22 December 2011, AMMSB has become a wholly-owned subsidiary of the Company.

DISCCOMP BERHAD

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



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.

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:

	12 months ended 31/12/11 RM'000	12 months ended 31/12/10 RM'000
a) Sales of goods to		
i) <u>Subsidiaries</u>		
PCS	19,259	10,759
PCA	3,240	2,950
PST	5,221	5,008
b) Purchase of goods from		
i) <u>Subsidiaries</u>		
PCS	3	7
PCA	0	1
PST	97	48
c) Others		
i) <u>Related Parties</u>		
Rental of premises paid to CHRB Group	180	180
Rental of premises received from CHRB Group	60	48
Water & electricity received from CHRB Group	23	22
ii) <u>Subsidiaries</u>		
Rental income received from subsidiary companies	45	30
Management fees received from subsidiary companies	75	60

DISCCOMP BERHAD

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



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

	12 months ended	
	31/12/11	31/12/10
	RM'000	RM'000
Fixed deposit with a licensed bank	1,053	8,538
Cash and bank balances	7,781	4,370
	<hr/>	<hr/>
	8,834	12,908
Less : Fixed Deposits pledged	(54)	(38)
	<hr/>	<hr/>
	8,780	12,870

=====
[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		12 months ended	
	31/12/11	31/12/10	31/12/11	31/12/10
	RM'000	RM'000	RM'000	RM'000
Revenue	21,404	12,310	53,204	44,526
Profit before taxation	854	623	2,140	1,739

The Group's revenue for the fourth quarter and twelve (12) months financial year ended 31 December 2011 increased to RM21.40 million (increased by 73.9%) and RM53.20 million (increased by 19.5%) respectively as compared to the similar corresponding periods of the preceding financial year. The increase in revenue was mainly from the improved performances from the retail outlets, Information Technology ("IT") fairs and sales of new products such as tablet personal computers and mobile phones.

The above increase in revenue has also resulted in improved profit before tax of RM0.85 million for the fourth quarter of 2011 as compared to RM0.62 million in the corresponding financial period, while for the twelve (12) months of the financial year ended 31 December 2011 it was RM2.14 million as compared to RM1.74 million in the corresponding financial year ended 31 December 2010.

18. Variation of Results Against Preceding Quarter

	3 months ended	
	31/12/11	30/09/11
	RM'000	RM'000
Revenue	21,404	9,210
Profit before taxation	854	189

The Group recorded an increased profit before taxation of approximately 351.85% to RM0.85 million from the RM0.19 million recorded for the preceding quarter ended 30 September 2011. This was mainly due to the increase in revenue resulting from improved performances of the retail outlets, Information Technology ("IT") fairs and sales of new products such as tablet personal computers and mobile phones.

DISCCOMP BERHAD

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



19. Commentary on Prospects

With the addition of new products such as tablet personal computers, mobile phones and internet related devices and the opening of 2 additional retail outlets, the Group is expecting an increase in its revenue.

The Group will continue with its aggressive product promotions and participations in all major IT/PC fairs and road shows.

20. Profit Forecast and Profit Guarantee

The Group is not subject to any profit forecast or profit guarantee requirements.

21. Income Tax Expenses

	3 months ended		12 months ended	
	31/12/11	31/12/10	31/12/11	31/12/10
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax				
- current	205	148	565	497
- under/(over) provision in prior years	-	6	(12)	(26)
	<u>205</u>	<u>154</u>	<u>553</u>	<u>471</u>
Deferred taxation	23	1	70	13
TOTAL	<u>228</u>	<u>155</u>	<u>623</u>	<u>484</u>

The effective tax rate for the financial year ended 31 December 2011 and 31 December 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 twelve months ended 31 December 2011.

23. Quoted Securities

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

DISCCOMP BERHAD

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



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 December 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 31 December 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		12 months ended	
	31/12/11	31/12/10	31/12/11	31/12/10
Profit attributable to the owners of the parent (RM'000)	597	422	1,395	1,109
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic earnings per share (sen)	1.23	0.87	2.88	2.29

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

DISCCOMP BERHAD

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



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: 28 February 2012