

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008**

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**  
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2008 RM'000	Preceding Year Corresponding Quarter 31.12.2007 RM'000	Current Year To Date 31.12.2008 RM'000	Preceding Year Corresponding Period 31.12.2007 RM'000
Revenue	10,063	14,703	47,409	57,327
Cost of sales	(6,704)	(10,520)	(31,433)	(36,780)
Gross profit	<u>3,359</u>	<u>4,183</u>	<u>15,976</u>	<u>20,547</u>
Operating expenses	(1,895)	(2,346)	(8,267)	(8,013)
Other operating income	304	439	504	641
Finance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>
Profit before taxation	1,768	2,276	8,213	13,167
Taxation	28	371	(396)	(1,858)
Profit for the period	<u>1,796</u>	<u>2,647</u>	<u>7,817</u>	<u>11,309</u>
<b>Attributable to:</b>				
Equity holders of the Company	1,797	2,647	7,811	11,309
Minority interest	<u>(1)</u>	<u>-</u>	<u>6</u>	<u>-</u>
Profit for the period	<u>1,796</u>	<u>2,647</u>	<u>7,817</u>	<u>11,309</u>
<b>Earnings per share</b>				
Basic earnings per share (sen)	<u>1.50</u>	<u>2.20</u>	<u>6.50</u>	<u>9.39</u>
Diluted earnings per share (sen)	<u>1.50</u>	<u>2.20</u>	<u>6.50</u>	<u>9.39</u>

Notes:

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Financial Statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008**

**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008**

	(Unaudited) As At End Of Current Quarter 31.12.2008 RM'000	(Audited) As At Preceding Financial Year End 31.12.2007 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	50,169	51,199
Intangible asset	878	878
Prepaid lease payments	339	344
Investment properties	1,556	1,039
<b>Total non-current assets</b>	<u>52,942</u>	<u>53,460</u>
<b>Current Assets</b>		
Receivables, deposits and prepayments	6,486	10,110
Inventories	26,546	25,886
Current tax assets	731	64
Cash and cash equivalents	8,715	5,744
<b>Total current assets</b>	<u>42,478</u>	<u>41,804</u>
<b>Total assets</b>	<u>95,420</u>	<u>95,264</u>
<b>EQUITY</b>		
Share capital	60,249	60,249
Treasury shares	(311)	-
Reserves	303	303
Retained earnings	28,879	26,472
<b>Total equity attributable to equity holders</b>	<u>89,120</u>	<u>87,024</u>
<b>Minority interest</b>	<u>6</u>	<u>-</u>
<b>Total equity</b>	<u>89,126</u>	<u>87,024</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	3,806	4,124
<b>Total non-current liabilities</b>	<u>3,806</u>	<u>4,124</u>
<b>Current Liabilities</b>		
Payables and accruals	2,480	3,918
Current tax liabilities	8	198
<b>Total current liabilities</b>	<u>2,488</u>	<u>4,116</u>
<b>Total liabilities</b>	<u>6,294</u>	<u>8,240</u>
<b>Total equity and liabilities</b>	<u>95,420</u>	<u>95,264</u>
Net Assets per share (RM)	0.74	0.72

Notes :

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Financial Statements.



**CLASSIC SCENIC BERHAD**  
(Company No. 633887-M)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008  
(The figures have not been audited)**

	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	Treasury Shares RM'000	Minority Interest RM'000	Total Equity RM'000
<b>At 1 January 2008</b>	60,249	303	26,472	-	-	87,024
Treasury shares	-	-	-	(311)	-	(311)
Dividends approved in respect of the previous year	-	-	(5,404)	-	-	(5,404)
Acquisition of a subsidiary	-	-	*	-	-	*
Profit for the year	-	-	7,811	-	6	7,817
<b>At 31 December 2008</b>	<u>60,249</u>	<u>303</u>	<u>28,879</u>	<u>(311)</u>	<u>6</u>	<u>89,126</u>
<b>At 1 January 2007</b>	60,184	231	20,585	-	-	81,000
Issue of shares:						
- Exercise of share options issue	65	72	-	-	-	137
Dividends approved in respect of the previous year	-	-	(5,422)	-	-	(5,422)
Profit for the year	-	-	11,309	-	-	11,309
<b>At 31 December 2007</b>	<u>60,249</u>	<u>303</u>	<u>26,472</u>	<u>-</u>	<u>-</u>	<u>87,024</u>

Notes:

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Financial Statements.

\*consist of RM24



**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2008**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**  
(The figures have not been audited)

	Current Year-to-date 31.12.2008 RM'000	Preceding Year Corresponding Period 31.12.2007 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	8,213	13,167
Adjustments for :		
- Non-cash items	3,000	2,525
- Non-operating items	(91)	(74)
Operating profit before working capital changes	<u>11,122</u>	<u>15,618</u>
Changes in working capital :		
- Net changes in current assets	2,409	(5,681)
- Net changes in current liabilities	(1,219)	1,112
Cash generated from operations	<u>12,312</u>	<u>11,049</u>
Income taxes paid, net of refund	(1,570)	(2,089)
Interest received	91	82
Net cash from operating activities	<u>10,833</u>	<u>9,042</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,235)	(4,385)
Proceeds from disposal of plant and equipment	88	171
Proceeds from disposal of investment property	-	3,184
Acquisition of a subsidiary	*	-
Net cash used in investing activities	<u>(2,147)</u>	<u>(1,030)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	-	137
Dividend paid	(5,404)	(5,422)
Interest paid	-	(8)
Repurchase of shares	(311)	-
Net cash used in financing activities	<u>(5,715)</u>	<u>(5,293)</u>
Net increase in cash and cash equivalents	2,971	2,719
Cash and cash equivalents at the beginning of year	<u>5,744</u>	<u>3,025</u>
Cash and cash equivalents at the end of year (Note 1)	<u>8,715</u>	<u>5,744</u>
<u>Note 1</u>		
	RM'000	RM'000
Cash and bank balances	2,393	2,108
Short term funds	<u>6,322</u>	<u>3,636</u>
	<u>8,715</u>	<u>5,744</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Financial Statements.

\* consist of RM24



## **NOTES TO THE INTERIM FINANCIAL REPORT**

### **PART A : EXPLANATORY NOTES AS PER FRS 134**

#### **A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in compliance with Financial Reporting Standards ("FRS") 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB) and Chapter 9 Part K of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 of Classic Scenic Berhad ("CSCENIC" or "the Company"). The 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 2007.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2007 except for the adoption of the following Financial Reporting Standards ("FRSs") (including its consequential amendments) and Interpretations that have been issued by Malaysian Accounting Standards Board (MASB) but are not yet effective:-

<b>FRSs / Interpretations</b>	<b>Effective date</b>
- FRS 4, <i>Insurance Contracts</i>	1 January 2010
- FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
- FRS 8, <i>Operating Segment</i>	1 July 2009
- FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
- IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
- IC Interpretation 10, <i>Interim Financial Reporting and Impairment</i>	1 January 2010

The Group plan to apply the abovementioned FRSs / Interpretations from the annual period beginning 1 January 2010.

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs. The initial application of the other standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Group.

#### **A2. Auditors' Report**

The auditors' report on the financial statements for the year ended 31 December 2007 of the Group was not qualified.

#### **A3. Seasonal and Cyclical factors**

The Group's performance is not subject to seasonality or cyclicity.

#### **A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART A : EXPLANATORY NOTES AS PER FRS 134**

**A5. Material Changes in Estimates**

There were no changes in accounting estimates that have had material effect in the current quarter under review.

**A6. Issuances and repayment of debt and equity securities**

There were no issuance and repayment of debts and equity securities, shares buy-back, shares cancellation, shares held as treasury shares or resale of treasury shares during the current quarter under review.

As at the date of this report, a total of 499,000 shares purchased back were held as treasury shares with total cost of RM311,438. None of the shares purchased back were resold or cancelled during the quarter under review and financial year to date.

**A7. Dividend paid**

No dividend was paid by the Company in the current quarter under review and financial year to date save as follows:-

A first and final tax-exempt dividend of 9% or 4.5 sen per share totalling RM5.4 million in respect of the previous financial year ended 31 December 2007 was paid on 20 August 2008.

**A8. Segmental Reporting**

The Group is organised into two main business segments as follows:

	Manufacturing of wooden picture frame moulding and timber products Year ended 31.12.2008 RM'000	Investment holding Year ended 31.12.2008 RM'000	Trading products Year ended 31.12.2008 RM'000	Elimination Year ended 31.12.2008 RM'000	Consolidated Year ended 31.12.2008 RM'000
<b>REVENUE</b>					
Revenue from external customers	46,745	-	664	-	
Inter-segment revenue	639	5,053	-	(5,692)	
<i>Total revenue</i>	<u>47,384</u>	<u>5,053</u>	<u>664</u>	<u>(5,692)</u>	<u>47,409</u>
<b>RESULT</b>					
Segment result	<u>8,247</u>	<u>3,356</u>	<u>39</u>	<u>(3,505)</u>	8,137
Unallocated expenses					(15)
Interest income					91
<i>Profit from operations</i>					8,213
Finance cost					-
<i>Profit before tax</i>					8,213
Taxation					(396)
<i>Profit for the year</i>					<u>7,817</u>

**A9. Valuation of Property, Plant and Equipment**

There was no revaluation of property, plant and equipment since the last Audited Financial Statements for the year ended 31 December 2007.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART A : EXPLANATORY NOTES AS PER FRS 134**

**A10. Post Balance Sheet Events**

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the interim financial statements.

**A11. Change in The Composition of The Group**

There were no changes in the composition of the Group for the quarter ended 31 December 2008 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinued operation.

**A12. Changes in Contingent Liabilities and Contingent Assets**

Since the last Audited Financial Statements for the year ended 31 December 2007 until the date of this report, there were no changes in contingent liabilities and contingent assets of a material nature save as follows:-

	RM'000
Corporate guarantee granted by the Company in favour of a licensed bank for credit facilities granted to a subsidiary	3,053
Cancellation of corporate guarantee granted by the Company in favour of a licensed bank for credit facilities granted to a subsidiary	(2,700)
	<u>353</u>

**A13. Capital Commitments Outstanding Not Provided In The Interim Financial Report**

	As at 31.12.2008 RM'000
Property, plant and equipment :	
Approved and contracted for	<u>300</u>

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B1. Review Of Performance**

The Group's revenue for the current quarter decreased by RM4.6 million or 31.3% to RM10.1 million as compared to the preceding year correspondence quarter of RM14.7 million mainly attributable to lower sales revenue from export of wooden picture frame moulding. The Group's profit before tax reduced by RM0.5million or 21.7% to RM1.8million as compared to RM2.3 million in the preceding year corresponding quarter, mainly due to the reason as explained above and the recognition of foreign exchange losses.

For the financial year ended 31 December 2008, the Group's revenue was RM47.4 million as compared to RM57.3 million in the preceding year, a decrease of RM9.9 million or 17.3%, mainly attributable to lower sales revenue from export of wooden picture frame moulding and the weakening of the US Dollar against Malaysian Ringgit after mitigated by increase in selling price. The Group's profit before tax decreased by RM5.0 million or 37.9% to RM8.2 million as compared to RM13.2 million in the preceding year mainly due to lower sales revenue from export of wooden picture frame moulding, the weakening of the US Dollar against Malaysian Ringgit and the recognition of foreign exchange losses.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B2. Variation of Results Against Preceding Quarter**

The Group registered a revenue of RM10.1 million for the current quarter under review, a decrease of RM5.1 million or 33.6% as compared to RM15.2 million in the preceding quarter mainly due to lower sales revenue from export of wooden picture frame moulding. The Group's profit before tax of RM1.8 million for the current quarter under review representing a decrease of RM0.9 million or 33.3% from RM2.7 million in the preceding quarter. The decrease in profit before tax was in tandem with the decrease in revenue.

**B3. Current Year Prospects**

The challenging and tumultuous global financial crisis is expected to have a negative impact on the Group's performance. The Group will continue to invest more of its resources in developing and introducing new innovative and highly marketable products. The Group will also seek greater operational efficiency, to partially offset, if not negate the financial impact of the crisis. Barring any unforeseen circumstances, the Group's performance for the financial year ending 31 December 2009 is expected to be profitable.

**B4. Variance of Actual and Forecast Profit**

Not applicable as there were no profit forecast and profit guarantee published.

**B5. Taxation**

	Current Year Quarter 31.12.2008 RM'000	Preceding Year Corresponding Quarter 31.12.2007 RM'000	Current Year To Date 31.12.2008 RM'000	Preceding Year Corresponding Period 31.12.2007 RM'000
Current tax expense				
- current	88	211	730	1,191
- prior year	(16)	-	(16)	895
Deferred tax expense				
Origination and reversal of temporary differences				
- current	(100)	(582)	(214)	(228)
- prior year	-	-	(104)	-
	<u>(28)</u>	<u>(371)</u>	<u>396</u>	<u>1,858</u>

The effective tax rate for the quarter under review and current year to date were -2% and 5% respectively, which was lower than the statutory income tax rate of 26% mainly due to the pioneer status granted to one of its subsidiaries under the Promotion Investment Act 1986 for 5 years from 1 February 2006 to 31 January 2011.

The prior year under provision of tax expenses for the financial year to date was mainly attributable to the clawback of reinvestment allowance in one of the subsidiaries resulted from disposal of its plant and machinery within two years from the date of acquisition.

**B6. Sale of Unquoted Investments and/or Properties**

There were no sale of unquoted investments and/or properties for the current quarter and financial year to date.

**B7. Purchase or Disposal of Quoted Securities**

There was no purchase or disposal of quoted securities for the current quarter under review and financial year to date.



**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B8. Status of Corporate Proposal**

There were no announced corporate proposals not completed as at the date of this report.

**B9. Group Borrowings and Debt Securities**

As at 31 December 2008, the Group does not have any bank borrowings.

**B10. Off Balance Sheet Financial Instruments**

The Group enters into forward foreign exchange contracts to hedge part of its confirmed sales orders in foreign currencies. The purpose of hedging is to minimise the impact of unfavourable movement in exchange rate.

As at 19 February 2009, the Group has the following outstanding forward foreign currency contracts:-

Currency	Outstanding Contract Amount US\$'000	Equivalent Amount in RM'000	Expiry Month
US Dollars	2,000	7,103	Feb '09 to Aug '09

There are no cash requirements for these contracts. As the exchange rate is pre-determined under such contracts, the Group is not exposed to any market risk. These transactions are not exposed to any credit risk.

As at balance sheet date, the differences between the contracted rate of forward contracts and prevailing market rate were recognised in the income statement.

**B11. Material Litigation**

Since the last Audited Financial Statements for the year ended 31 December 2007, the Group does not have any material litigation until the date of this report.

**B12. Dividend**

The Board proposed to declare a first and final tax-exempt dividend of 6% in respect of the financial year ended 31 December 2008 (31.12.2007: Tax exempt dividend of 9%). The proposed dividend will be subject to shareholders' approval at the forthcoming Annual General Meeting to be held on a date to be announced later. The date for book closure of the Record of Depositors for determining dividend entitlement and the date of payment will be announced at a later date.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B13. Basis of Calculation of Earnings Per Share**

	Current Year Quarter 31.12.2008	Preceding Year Corresponding Quarter 31.12.2007	Current Year To Date 31.12.2008	Preceding Year Corresponding Period 31.12.2007
<b>Basic earnings per share</b>				
Net profit attributable to shareholders (RM'000)	1,797	2,647	7,811	11,309
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	120,001	120,500	120,182	120,467
Basic Earnings Per Share (sen)	1.50	2.20	6.50	9.39
<b>Diluted earnings per share</b>				
Net profit attributable to shareholders (RM'000)	1,797	2,647	7,811	11,309
Weighted average number of ordinary shares ('000)	120,001	120,500	120,182	120,467
Adjustment for ESOS ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	120,001	120,500	120,182	120,467
Diluted Earnings Per Share (sen)	1.50	2.20	6.50	9.39

By order of the Board

CHOW CHOOI YOONG  
Company Secretary  
MAICSA 0772574  
Date 25 February 2009