

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2009**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2009 RM'000	Preceding Year Corresponding Quarter 31.3.2008 RM'000	Current Year To Date 31.3.2009 RM'000	Preceding Year Corresponding Period 31.3.2008 RM'000
Revenue	8,911	10,774	8,911	10,774
Cost of sales	(5,982)	(7,455)	(5,982)	(7,455)
Gross profit	<u>2,929</u>	<u>3,319</u>	<u>2,929</u>	<u>3,319</u>
Operating expenses	(1,698)	(1,844)	(1,698)	(1,844)
Other operating income	52	73	52	73
Profit before taxation	<u>1,283</u>	<u>1,548</u>	<u>1,283</u>	<u>1,548</u>
Taxation	(132)	(166)	(132)	(166)
Profit for the period	<u><u>1,151</u></u>	<u><u>1,382</u></u>	<u><u>1,151</u></u>	<u><u>1,382</u></u>
Attributable to:				
Equity holders of the Company	1,157	1,382	1,157	1,382
Minority interest	(6)	-	(6)	-
Profit for the period	<u><u>1,151</u></u>	<u><u>1,382</u></u>	<u><u>1,151</u></u>	<u><u>1,382</u></u>
Earning per share				
Basic earnings per share (sen)	<u><u>0.96</u></u>	<u><u>1.15</u></u>	<u><u>0.96</u></u>	<u><u>1.15</u></u>
Diluted earnings per share (sen)	<u><u>0.96</u></u>	<u><u>1.15</u></u>	<u><u>0.96</u></u>	<u><u>1.15</u></u>

Notes:

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the Interim Financial Statements.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2009

	(Unaudited) As At End Of Current Quarter 31.3.2009 RM'000	(Audited) As At Preceding Financial Year End 31.12.2008 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	49,553	50,169
Intangible asset	878	878
Prepaid lease payments	339	340
Investment properties	1,552	1,556
Total non-current assets	<u>52,322</u>	<u>52,943</u>
Current Assets		
Receivables, deposits and prepayments	5,537	6,705
Inventories	26,362	26,938
Current tax assets	814	731
Cash and cash equivalents	11,066	8,715
Total current assets	<u>43,779</u>	<u>43,089</u>
Total assets	<u>96,101</u>	<u>96,032</u>
EQUITY		
Share capital	60,250	60,250
Treasury shares	(311)	(311)
Reserves	303	303
Retained earnings	30,036	28,879
Total equity attributable to equity holders	<u>90,278</u>	<u>89,121</u>
Minority interest	<u>-</u>	<u>6</u>
Total equity	<u>90,278</u>	<u>89,127</u>
LIABILITIES		
Non-Current Liabilities		
Deferred tax liabilities	3,836	3,806
Total non-current liabilities	<u>3,836</u>	<u>3,806</u>
Current Liabilities		
Payables and accruals	1,980	3,091
Current tax liabilities	7	8
Total current liabilities	<u>1,987</u>	<u>3,099</u>
Total liabilities	<u>5,823</u>	<u>6,905</u>
Total equity and liabilities	<u>96,101</u>	<u>96,032</u>
Net Assets per share (RM)	0.75	0.74

Notes :

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the Interim Financial Statements.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE CUMULATIVE QUARTER ENDED 31 MARCH 2009**

(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Retained Profits RM'000	Minority Interest RM'000	Total Equity RM'000
At 1 January 2009	60,250	303	(311)	28,879	6	89,127
Profit for the period	-	-	-	1,157	(6)	1,151
At 31 March 2009	<u>60,250</u>	<u>303</u>	<u>(311)</u>	<u>30,036</u>	<u>-</u>	<u>90,278</u>
At 1 January 2008	60,249	303	-	26,472	-	87,024
Profit for the period	-	-	-	1,382	-	1,382
At 31 March 2008	<u>60,249</u>	<u>303</u>	<u>-</u>	<u>27,854</u>	<u>-</u>	<u>88,406</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 2008 and the accompanying explanatory notes attached to the Interim Financial Statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2009**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE CUMULATIVE QUARTER ENDED 31 MARCH 2009
(The figures have not been audited)**

	Current Year-to-date 31.3.2009 RM'000	Preceding Year Corresponding Period 31.3.2008 RM'000
Cash flows from operating activities		
Profit before taxation	1,283	1,548
Adjustments for :		
- Non-cash items	482	695
- Non-operating items	(52)	(16)
Operating profit before working capital changes	<u>1,713</u>	<u>2,227</u>
Changes in working capital :		
- Net changes in current assets	1,881	(2,244)
- Net changes in current liabilities	(1,039)	(1,162)
Cash generated from/(used in) operations	<u>2,555</u>	<u>(1,179)</u>
Income taxes paid, net of refund	(184)	(440)
Interest received	52	16
Net cash generated from/(used in) operating activities	<u>2,423</u>	<u>(1,603)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(77)	(1,019)
Proceeds from disposal of plant and equipment	5	-
Net cash used in investing activities	<u>(72)</u>	<u>(1,019)</u>
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	2,351	(2,622)
Cash and cash equivalents at the beginning of period	8,715	5,744
Cash and cash equivalents at the end of period (Note 1)	<u>11,066</u>	<u>3,122</u>

Note 1

	RM'000
Cash and bank balances	3,450
Short term funds	7,616
	<u>11,066</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the Interim Financial Statements.



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 2008 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 2008.

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 2008 except for the adoption of the following Financial Reporting Standards ("FRSs") and Interpretations issued by MASB but are not yet effective:-

FRSs / Interpretations	Effective date
- 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 2008 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.

A5. Material Changes in Estimates

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



NOTES TO THE INTERIM FINANCIAL REPORT

PART A : EXPLANATORY NOTES AS PER FRS 134

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 and financial year to date.

A7. Dividends Paid

No dividends were paid by the Company in the current quarter under review and financial year to date.

A8. Segmental Reporting

Segmental reporting is not provided as the Group's primary business segment is principally engaged in the manufacturing and sale of wooden picture frame moulding and timber products and its operation are carried out solely in Malaysia.

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 2008.

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 March 2009 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 2008 until the date of this report, there were no changes in contingent liabilities and contingent assets of a material nature save as follow:-.

	RM'000
Cancellation of corporate guarantee granted by the Company in favour of a licensed bank for credit facilities granted to a subsidiary	<u>400</u>

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

	As at 31.3.2009 RM'000
Property, plant and equipment :	
Approved and contracted for	<u>297</u>

NOTES TO THE INTERIM FINANCIAL REPORT

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 recorded at RM8.9 million, a decrease of RM1.9 million or 17.6% as compared to the preceding year corresponding quarter of RM10.8 million mainly due to lower sales revenue from export of wooden picture frame moulding. The Group's profit before tax was RM1.3 million, a decrease of RM0.2 million or 13.3% as compared to RM1.5 million in the preceding year corresponding quarter. The decrease in profit before tax was in tandem with the decrease in revenue.

B2. Variation of Results Against Preceding Quarter

The Group registered a revenue of RM8.9 million for the current quarter under review, representing a decrease of RM1.2 million or 11.9% from RM10.1 million in the preceding quarter mainly due to lower sales revenue from export of wooden picture frame moulding. The Group's profit before tax was RM1.3 million as compared to RM1.8 million in the preceding quarter, a decrease of RM0.5 million or 27.8% mainly due to the reason as explained above.

B3. Current Year Prospects

The global economic downturn is expected to pose a real challenge to the Group's performance but with the inherent resilience prevailing within the Group, opportunities for growth are anticipated when confidence return. Meanwhile, the Group will continue to invest in developing and introducing new innovative and highly marketable products. The Group will preserve in seeking greater operational efficiency, to partially offset, if not negate the impact of the downturn. Barring any unforeseen circumstances, the Group's performance for the financial year ending 31 December 2009 is expected to remain 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 31.3.2009 RM'000	Preceding Year Corresponding Quarter 31.3.2008 RM'000	Current Year To Date 31.3.2009 RM'000	Preceding Year Corresponding Period 31.3.2008 RM'000
Current tax expense				
- current	102	130	102	130
Deferred tax expense				
Origination and reversal of temporary differences				
- current	30	36	30	36
	<u>132</u>	<u>166</u>	<u>132</u>	<u>166</u>

The effective tax rate for the quarter under review and current year to date was 10%, which was lower than the statutory income tax rate of 25% 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.

NOTES TO THE INTERIM FINANCIAL REPORT

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

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.

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 March 2009, 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 14 May 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	7,210	May '09 to Oct '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 2008, the Group does not have any material litigation until the date of this report.

B12. Dividends

Subject to the shareholders' approval at the forthcoming Sixth Annual General Meeting to be convened on 10 June 2009, the first and final tax exempt dividend of 6% per ordinary share in respect of the financial year ended 31 December 2008 will be payable on 20 July 2009 to depositors registered in the Record of Depositors on 2 July 2009.

The Board does not recommend any interim dividend for the current quarter under review.

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 31.3.2009	Preceding Year Corresponding Quarter 31.3.2008	Current Year To Date 31.3.2009	Preceding Year Corresponding Period 31.3.2008
Basic earnings per share				
Net profit attributable to equity holders (RM'000)	1,157	1,382	1,157	1,382
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	120,001	120,500	120,001	120,500
Basic Earnings Per Share (sen)	0.96	1.15	0.96	1.15
Diluted earnings per share				
Net profit attributable to equity holders (RM'000)	1,157	1,382	1,157	1,382
Weighted average number of ordinary shares ('000)	120,001	120,500	120,001	120,500
Adjustment for ESOS ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	120,001	120,500	120,001	120,500
Diluted Earnings Per Share (sen)	0.96	1.15	0.96	1.15

By order of the Board

CHOW CHOOI YOONG
Company Secretary
MAICSA 0772574
Date: 21 May 2009