

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009**

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009  
(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2009 RM'000	Preceding Year Corresponding Quarter 30.9.2008 RM'000	Current Year To Date 30.9.2009 RM'000	Preceding Year Corresponding Period 30.9.2008 RM'000
Revenue	11,547	15,215	31,468	37,346
Cost of sales	(7,244)	(9,868)	(20,107)	(24,729)
Gross profit	<u>4,303</u>	<u>5,347</u>	<u>11,361</u>	<u>12,617</u>
Operating expenses	(1,814)	(2,684)	(5,428)	(6,372)
Other operating income	280	56	493	200
Profit before taxation	<u>2,769</u>	<u>2,719</u>	<u>6,426</u>	<u>6,445</u>
Taxation	(517)	(50)	(872)	(424)
Profit for the period	<u><u>2,252</u></u>	<u><u>2,669</u></u>	<u><u>5,554</u></u>	<u><u>6,021</u></u>
<b>Attributable to:</b>				
Equity holders of the Company	2,252	2,662	5,560	6,014
Minority interest	-	7	(6)	7
Profit for the period	<u><u>2,252</u></u>	<u><u>2,669</u></u>	<u><u>5,554</u></u>	<u><u>6,021</u></u>
<b>Earning per share</b>				
Basic earnings per share (sen)	<u><u>1.88</u></u>	<u><u>2.22</u></u>	<u><u>4.63</u></u>	<u><u>5.00</u></u>
Diluted earnings per share (sen)	<u><u>1.88</u></u>	<u><u>2.22</u></u>	<u><u>4.63</u></u>	<u><u>5.00</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 THIRD QUARTER ENDED 30 SEPTEMBER 2009**

**CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2009**

	(Unaudited) As At End Of Current Quarter 30.9.2009 RM'000	(Audited) As At Preceding Financial Year End 31.12.2008 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	48,187	50,169
Intangible asset	878	878
Prepaid lease payments	-	340
Investment properties	1,312	1,556
<b>Total non-current assets</b>	<u>50,377</u>	<u>52,943</u>
<b>Current Assets</b>		
Receivables, deposits and prepayments	7,830	6,705
Inventories	23,805	26,938
Current tax assets	641	731
Cash and cash equivalents	14,333	8,715
Asset held for sale	579	-
<b>Total current assets</b>	<u>47,188</u>	<u>43,089</u>
<b>Total assets</b>	<u><u>97,565</u></u>	<u><u>96,032</u></u>
<b>EQUITY</b>		
Share capital	60,250	60,250
Treasury shares	(311)	(311)
Reserves	303	303
Retained earnings	30,839	28,879
<b>Total equity attributable to equity holders</b>	<u>91,081</u>	<u>89,121</u>
<b>Minority interest</b>	<u>-</u>	<u>6</u>
<b>Total equity</b>	<u><u>91,081</u></u>	<u><u>89,127</u></u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	4,081	3,806
<b>Total non-current liabilities</b>	<u>4,081</u>	<u>3,806</u>
<b>Current Liabilities</b>		
Payables and accruals	2,379	3,091
Current tax liabilities	24	8
<b>Total current liabilities</b>	<u>2,403</u>	<u>3,099</u>
<b>Total liabilities</b>	6,484	6,905
<b>Total equity and liabilities</b>	<u><u>97,565</u></u>	<u><u>96,032</u></u>
Net Assets per share (RM)	0.76	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 THIRD QUARTER ENDED 30 SEPTEMBER 2009**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE CUMULATIVE QUARTER ENDED 30 SEPTEMBER 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
<b>At 1 January 2009</b>	60,250	303	(311)	28,879	6	89,127
Dividends approved in respect of the previous year	-	-	-	(3,600)	-	(3,600)
Profit for the period	-	-	-	5,560	(6)	5,554
<b>At 30 September 2009</b>	<b>60,250</b>	<b>303</b>	<b>(311)</b>	<b>30,839</b>	<b>-</b>	<b>91,081</b>
<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)
Profit for the period	-	-	-	6,014	7	6,021
<b>At 30 September 2008</b>	<b>60,249</b>	<b>303</b>	<b>(311)</b>	<b>27,082</b>	<b>7</b>	<b>87,330</b>

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 THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE CUMULATIVE QUARTER ENDED 30 SEPTEMBER 2009  
(The figures have not been audited)**

	Current Year-to-date 30.9.2009 RM'000	Preceding Year Corresponding Period 30.9.2008 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	6,426	6,445
Adjustments for :		
- Non-cash items	1,570	2,797
- Non-operating items	(173)	(60)
Operating profit before working capital changes	<u>7,823</u>	<u>9,182</u>
Changes in working capital :		
- Net changes in current assets	2,106	(470)
- Net changes in current liabilities	(361)	(1,346)
Cash generated from operations	<u>9,568</u>	<u>7,366</u>
Income taxes paid, net of refund	(490)	(771)
Interest received	173	59
Net cash generated from operating activities	<u>9,251</u>	<u>6,654</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(167)	(1,883)
Proceeds from disposal of plant and equipment	134	88
Net cash used in investing activities	<u>(33)</u>	<u>(1,795)</u>
<b>Cash flows from financing activities</b>		
Dividend paid	(3,600)	(5,404)
Repurchase of shares	-	(311)
Net cash used in financing activities	<u>(3,600)</u>	<u>(5,715)</u>
Net increase/(decrease) in cash and cash equivalents	5,618	(856)
Cash and cash equivalents at the beginning of period	<u>8,715</u>	<u>5,744</u>
Cash and cash equivalents at the end of period (Note 1)	<u>14,333</u>	<u>4,888</u>

Note 1

	RM'000
Cash and bank balances	2,416
Short term funds	11,917
	<u>14,333</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 Segments</i>	1 July 2009
- FRS 123, <i>Borrowing Costs</i>	1 January 2010
- FRS 139 and Amendments to FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
- Amendments to FRS 1 and FRS 127, <i>First-Time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	1 January 2010
- Amendments to FRS 2, <i>Share-based Payment</i>	1 January 2010
- Amendments to FRS 8, <i>Operating Segments</i>	1 January 2010
- Amendments to FRS 101, <i>Presentation of Financial Statements</i>	1 January 2010
- Amendments to FRS 132, <i>Financial Instruments: Presentation</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
- IC Interpretation 11, <i>FRS 2 - Group and Treasury Share Transactions</i>	1 January 2010
- IC Interpretation 13, <i>Customer Loyalty Programmes</i>	1 January 2010
- IC Interpretation 14, <i>FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction</i>	1 January 2010

The Group plan to apply the abovementioned FRSs, Amendments to FRS and 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 save as follow:-

The Employee's Share Option Scheme, which was approved by the Company's shareholders at an extraordinary general meeting held on 30 September 2004, was expired on 27 October 2009 and a total of 12,010,800 share options lapsed.

**A7. Dividends Paid**

During the current quarter under review, a first and final tax-exempt dividend of 6% or 3.0 sen per ordinary share totalling RM3.6 million in respect of the previous financial year ended 31 December 2008 was paid on 20 July 2009.

**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 30 September 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 licensed banks for credit facilities granted to subsidiaries	<u>8,400</u>

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

	As at 30.9.2009 RM'000
Property, plant and equipment :	
Approved and contracted for	<u>79</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 registered revenue of RM11.5 million for the current quarter, a decrease of RM3.7 million or 24.3% compared to RM15.2 million of the preceding year corresponding quarter mainly due to lower sales revenue from export of wooden picture frame moulding. The Group's profit before tax was RM2.8 million, an increase of RM0.1 million or 3.7% compared to RM2.7 million in the preceding year corresponding quarter. The increase in profit before tax is mainly attributable to the gain in foreign exchange resulting from the strengthening of the US Dollar against Malaysian Ringgit and lower operating expenses.

For the nine months ended 30 September 2009, the Group's revenue was RM31.5 million, a decrease of 15.5% or RM5.8 million compared to RM37.3 million in the preceding year corresponding period. The decrease in revenue was primarily due to lower sales revenue from export of wooden picture frame moulding. Despite a lower revenue, the Group managed to maintain the profit before tax for the nine months ended 30 September 2009 at RM6.4 million as in the preceding year corresponding period mainly due to the gain in foreign exchange resulting from the strengthening of the US Dollar against Malaysian Ringgit and lower operating expenses.

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

The Group registered a revenue of RM11.5 million for the current quarter under review, representing an increase of RM0.5 million or 4.5% from RM11.0 million in the preceding quarter mainly due to the increase in sales revenue from sale of wooden picture frame moulding and timber products. The Group's profit before tax was RM2.8 million compared to RM2.4 million in the preceding quarter, an increase of RM0.4 million or 16.7% primarily due to higher sales revenue and other operating income and lower operating expenses.

**B3. Current Year Prospects**

Despite glimpses of some positive signs, the global economic rebound particularly USA, is likely to remain weak in the coming months. Given such uncertainty and perhaps the fear of a double-dip recession, the group's performance is expected to be very much dependent upon the strength of the recovery. Meanwhile, the Group's constant efforts in developing new innovative and marketable products have not only enabled the Group to maintain its market share during the downturn but has also put us in good stead to capitalise on the recovery. Besides, our perseverance in seeking greater operational efficiency has further strengthened the Group's competitive edge. 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 30.9.2009 RM'000	Preceding Year Corresponding Quarter 30.9.2008 RM'000	Current Year To Date 30.9.2009 RM'000	Preceding Year Corresponding Period 30.9.2008 RM'000
Current tax expense				
- current	243	310	584	642
- prior year	12	-	12	-
Deferred tax expense				
Origination and reversal of temporary differences				
- current	262	(260)	276	(218)
	<u>517</u>	<u>50</u>	<u>872</u>	<u>424</u>

The effective tax rate for the quarter under review and current year to date was 19% and 14% respectively, 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. The provision of deferred tax expenses was mainly due to the provision of temporary differences on revaluation arising from the revoke of real property gain tax exemption order, which will be effective from 1 January 2010.



**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 save as follows:-

Lim Ket Leng Realty Sdn. Bhd., a wholly-owned subsidiary of CSCENIC, entered into Sale and Purchase Agreement ("SPA") on 23 July 2009 to dispose a leasehold three storey shop office for a total consideration of RM795,000. The transaction was completed on 11 November 2009.

As at 30 September 2009, the leasehold three storey shop office is presented as an asset held for sale.

**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 30 September 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 19 November 2009, the Group has the following outstanding forward foreign currency contracts:-

Currency	Outstanding	Equivalent	Expiry Month
	Contract Amount US\$'000	Amount in RM'000	
US Dollars	3,000	10,506	Nov '09 to Jul '10

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**

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 30.9.2009	Preceding Year Corresponding Quarter 30.9.2008	Current Year To Date 30.9.2009	Preceding Year Corresponding Period 30.9.2008
<b>Basic earnings per share</b>				
Net profit attributable to equity holders (RM'000)	<u>2,252</u>	<u>2,662</u>	<u>5,560</u>	<u>6,014</u>
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	<u>120,001</u>	<u>120,001</u>	<u>120,001</u>	<u>120,242</u>
Basic Earnings Per Share (sen)	<u>1.88</u>	<u>2.22</u>	<u>4.63</u>	<u>5.00</u>
<b>Diluted earnings per share</b>				
Net profit attributable to equity holders (RM'000)	<u>2,252</u>	<u>2,662</u>	<u>5,560</u>	<u>6,014</u>
Weighted average number of ordinary shares ('000)	<u>120,001</u>	<u>120,001</u>	<u>120,001</u>	<u>120,242</u>
Adjustment for ESOS ('000)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>120,001</u>	<u>120,001</u>	<u>120,001</u>	<u>120,242</u>
Diluted Earnings Per Share (sen)	<u>1.88</u>	<u>2.22</u>	<u>4.63</u>	<u>5.00</u>

By order of the Board

CHOW CHOOI YOONG  
Company Secretary  
MAICSA 0772574  
Date: 26 November 2009