

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009
(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2009 RM'000	Preceding Year Corresponding Quarter 31.12.2008 RM'000	Current Year To Date 31.12.2009 RM'000	Preceding Year Corresponding Period 31.12.2008 RM'000
Revenue	10,984	10,063	42,452	47,409
Cost of sales	(7,012)	(6,704)	(27,119)	(31,433)
Gross profit	<u>3,972</u>	<u>3,359</u>	<u>15,333</u>	<u>15,976</u>
Operating expenses	(1,743)	(1,895)	(7,171)	(8,267)
Other income	246	304	739	504
Profit before taxation	<u>2,475</u>	<u>1,768</u>	<u>8,901</u>	<u>8,213</u>
Taxation	212	28	(660)	(396)
Profit for the period	<u><u>2,687</u></u>	<u><u>1,796</u></u>	<u><u>8,241</u></u>	<u><u>7,817</u></u>
Attributable to:				
Equity holders of the Company	2,687	1,797	8,247	7,811
Minority interest	-	(1)	(6)	6
Profit for the period	<u><u>2,687</u></u>	<u><u>1,796</u></u>	<u><u>8,241</u></u>	<u><u>7,817</u></u>
Earning per share				
Basic earnings per share (sen)	<u><u>2.24</u></u>	<u><u>1.50</u></u>	<u><u>6.87</u></u>	<u><u>6.50</u></u>
Diluted earnings per share (sen)	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</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 FOURTH QUARTER ENDED 31 DECEMBER 2009

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009

	(Unaudited) As At End Of Current Quarter 31.12.2009 RM'000	(Audited) As At Preceding Financial Year End 31.12.2008 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	47,840	50,169
Intangible asset	878	878
Prepaid lease payments	-	340
Investment properties	1,309	1,556
Total non-current assets	<u>50,027</u>	<u>52,943</u>
Current Assets		
Receivables, deposits and prepayments	6,001	6,705
Inventories	23,885	26,938
Current tax assets	668	731
Cash and cash equivalents	19,650	8,715
Total current assets	<u>50,204</u>	<u>43,089</u>
Total assets	<u>100,231</u>	<u>96,032</u>
EQUITY		
Share capital	60,250	60,250
Treasury shares	(311)	(311)
Reserves	303	303
Retained earnings	33,526	28,879
Total equity attributable to equity holders	<u>93,768</u>	<u>89,121</u>
Minority interest	<u>-</u>	<u>6</u>
Total equity	<u>93,768</u>	<u>89,127</u>
LIABILITIES		
Non-Current Liabilities		
Deferred tax liabilities	3,721	3,806
Total non-current liabilities	<u>3,721</u>	<u>3,806</u>
Current Liabilities		
Payables and accruals	2,702	3,091
Current tax liabilities	40	8
Total current liabilities	<u>2,742</u>	<u>3,099</u>
Total liabilities	6,463	6,905
Total equity and liabilities	<u>100,231</u>	<u>96,032</u>
Net Assets per share (RM)	0.78	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 FOURTH QUARTER ENDED 31 DECEMBER 2009

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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
Dividends approved in respect of the previous year	-	-	-	(3,600)	-	(3,600)
Profit for the period	-	-	-	8,247	(6)	8,241
At 31 December 2009	<u>60,250</u>	<u>303</u>	<u>(311)</u>	<u>33,526</u>	<u>-</u>	<u>93,768</u>
At 1 January 2008	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 period	-	-	-	7,811	6	7,817
At 31 December 2008	<u>60,249</u>	<u>303</u>	<u>(311)</u>	<u>28,879</u>	<u>6</u>	<u>89,126</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.

*consist of RM24

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2009**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009
(The figures have not been audited)**

	Current Year-to-date 31.12.2009 RM'000	Preceding Year Corresponding Period 31.12.2008 RM'000
Cash flows from operating activities		
Profit before taxation	8,901	8,213
Adjustments for :		
- Non-cash items	2,789	3,011
- Non-operating items	(249)	(91)
Operating profit before working capital changes	<u>11,441</u>	<u>11,133</u>
Changes in working capital :		
- Net changes in current assets	3,286	1,987
- Net changes in current liabilities	(181)	(808)
Cash generated from operations	<u>14,546</u>	<u>12,312</u>
Income taxes paid, net of refund	(675)	(1,570)
Interest received	249	91
Net cash generated from operating activities	<u>14,120</u>	<u>10,833</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(529)	(2,235)
Proceeds from disposal of plant and equipment	944	88
Acquisition of a subsidiary	-	*
Net cash generated from/(used in) investing activities	<u>415</u>	<u>(2,147)</u>
Cash flows from financing activities		
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 in cash and cash equivalents	10,935	2,971
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>19,650</u>	<u>8,715</u>

Note 1

	RM'000
Cash and bank balances	9,385
Short term funds	<u>10,265</u>
	<u>19,650</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") (including its consequential amendments) and Interpretations issued by MASB but are not yet effective:-

FRSs / Interpretations	Effective date
- Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards</i> and FRS 127, <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	1 January 2010
- Amendments to FRS 7, <i>Financial Instruments: Disclosures</i> , FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
- Amendments to FRS 8, <i>Operating Segments</i>	1 January 2010
- Amendments to FRS 107, <i>Cash Flow Statements</i>	1 January 2010
- Amendments to FRS 108, <i>Accounting Policies, Change in Accounting Estimates and Errors</i>	1 January 2010
- Amendments to FRS 110, <i>Events After the Balance Sheet Date</i>	1 January 2010
- Amendments to FRS 116, <i>Property, Plant and Equipment</i>	1 January 2010
- Amendments to FRS 117, <i>Leases</i>	1 January 2010
- Amendments to FRS 118, <i>Revenue</i>	1 January 2010
- Amendments to FRS 119, <i>Employee Benefits</i>	1 January 2010
- Amendments to FRS 123, <i>Borrowing Costs</i>	1 January 2010
- Amendments to FRS 127, <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	1 January 2010
- Amendments to FRS 128, <i>Investments in Associates</i>	1 January 2010
- Amendments to FRS 132, <i>Financial instruments: Presentation</i>	1 January 2010
- Amendments to FRS 134, <i>Interim Financial Reporting</i>	1 January 2010
- Amendments to FRS 136, <i>Impairment of Assets</i>	1 January 2010
- Amendments to FRS 140, <i>Investment Property</i>	1 January 2010
- Amendments to IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
- FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
- FRS 8, <i>Operating Segments</i>	1 July 2009
- FRS 101, <i>Presentation of Financial Statements</i>	1 January 2010
- FRS 123, <i>Borrowing Costs</i>	1 January 2010
- 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, 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.



NOTES TO THE INTERIM FINANCIAL REPORT

PART A : EXPLANATORY NOTES AS PER FRS 134

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.

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, expired on 27 October 2009 and a total of 12,010,800 share options lapsed.

A7. Dividends 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 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 31 December 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

8,413

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

As at
31.12.2009
RM'000

Property, plant and equipment :

Approved and contracted for

164

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 registered at RM11.0 million, an increase of RM0.9 million or 8.9% compared to RM10.1 million of the preceding year corresponding quarter mainly due to the increase in sales revenue from sale of wooden picture frame moulding. The Group's profit before tax was RM2.5 million, an increase of RM0.7 million or 38.9% compared to RM1.8 million in the preceding year corresponding quarter. The increase in profit before tax is mainly attributable to the reason as explained above and lower operating expenses.

For the financial year ended 31 December 2009, the Group's revenue was RM42.5 million, a decrease of 10.3% or RM4.9 million compared to RM47.4 million in the preceding year. The decrease in revenue was primarily due to lower sales revenue from export of wooden picture frame moulding. Despite a lower revenue, the Group's profit before tax recorded at RM8.9 million, an increase of RM0.7 million or 8.5% compared to RM8.2 million in the preceding year. The increase in profit before tax mainly due to the gain in foreign exchange resulting from the strengthening of the US Dollar against Malaysian Ringgit and disposal of a property as disclosed in Note B6.

B2. Variation of Results Against Preceding Quarter

The Group registered a revenue of RM11.0 million for the current quarter under review, representing a decrease of RM0.5 million or 4.3% from RM11.5 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 RM2.5 million compared to RM2.8 million in the preceding quarter, a decrease of RM0.3 million or 10.7%. The decrease in profit before tax was in tandem with the decrease in sales revenue.

B3. Current Year Prospects

With the risk of a double-dip recession in USA appearing to have subsided which was partly attributed to the various consumer stimulus measures implemented, the outlook though remaining cautious because of weaker than anticipated recovery in consumer spending, is expected to be rather encouraging. Consequently, any improvement in the Group's performance is envisaged to be gradual but firm. Meanwhile, our relative resilience to the downturn and ability to capitalize on an economic rebound are made more plausible by the various upgrading measures put in place by the Group to counter adversities and to grasp opportunities when they arises. Barring any unforeseen circumstances, the Group's performance for the financial year ending 31 December 2010 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 31.12.2009 RM'000	Preceding Year Corresponding Quarter 31.12.2008 RM'000	Current Year To Date 31.12.2009 RM'000	Preceding Year Corresponding Period 31.12.2008 RM'000
Current tax expense				
- current	138	88	734	730
- prior year	12	(16)	12	(16)
Deferred tax expense				
Origination and reversal of temporary differences				
- current	(362)	(100)	(86)	(214)
- prior year		-		(104)
	<u>(212)</u>	<u>(28)</u>	<u>660</u>	<u>396</u>

The effective tax rate for the quarter under review and current year to date was -9% and 7% 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 reversal of provision of deferred tax expenses (the provision of which was made in the preceding quarter) for the quarter under review was mainly due to the real property gain tax exemption order (No.2) 2009 P.U.(A) 486 granted during the last quarter.



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.

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 December 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 18 February 2010, 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	5,400	18,615	Feb '10 to Oct '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 proposed to declare a first and final tax-exempt dividend of 14% in respect of the financial year ended 31 December 2009 (2008: Tax-exempt dividend of 6%). 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 Depository for determining dividend entitlement and the date of payment will be announced at a later date.



CLASSIC SCENIC BERHAD
(Company No. 633887-M)

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 31.12.2009	Preceding Year Corresponding Quarter 31.12.2008	Current Year To Date 31.12.2009	Preceding Year Corresponding Period 31.12.2008
Basic earnings per share				
Net profit attributable to equity holders (RM'000)	<u>2,687</u>	<u>1,797</u>	<u>8,247</u>	<u>7,811</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>120,182</u>
Basic Earnings Per Share (sen)	<u>2.24</u>	<u>1.50</u>	<u>6.87</u>	<u>6.50</u>

There was no dilution in the earnings per share as the Employee's Share Option Scheme expired on 27 October 2009 as disclosed in Note A6.

By order of the Board

CHOW CHOOI YOONG
Company Secretary
MAICSA 0772574
Date: 25 February 2010