



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH ENDED 30 JUNE 2021**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30.06.2021 RM'000 (Unaudited)	Preceding Year Corresponding Quarter Ended 30.06.2020 RM'000 (Unaudited)	Current Year To Date Ended 30.06.2021 RM'000 (Unaudited)	Preceding Year To Date Ended 30.06.2020 RM'000 (Unaudited)
Revenue	12,524	5,739	26,805	18,131
Cost of sales	(8,394)	(5,020)	(17,582)	(14,112)
Gross profit	<u>4,130</u>	<u>719</u>	<u>9,223</u>	<u>4,019</u>
Operating expenses	(1,806)	(1,382)	(4,051)	(3,423)
Other operating income	10	38	67	95
Profit/(loss) before taxation	<u>2,334</u>	<u>(625)</u>	<u>5,239</u>	<u>691</u>
Taxation	(627)	138	(1,415)	(223)
Profit/(loss) and total comprehensive income for the period	<u><u>1,707</u></u>	<u><u>(487)</u></u>	<u><u>3,824</u></u>	<u><u>468</u></u>
Attributable to:				
Owners of the Company	1,707	(487)	3,824	468
Non-controlling interest	-	-	-	-
	<u><u>1,707</u></u>	<u><u>(487)</u></u>	<u><u>3,824</u></u>	<u><u>468</u></u>
Earning per share				
Basic earnings per share (sen)	<u><u>1.42</u></u>	<u><u>(0.40)</u></u>	<u><u>3.17</u></u>	<u><u>0.39</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>

N/A - Not applicable

Notes:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the Interim Financial Statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	(Unaudited) As at 30.06.2021 RM'000	(Audited) As at 31.12.2020 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	47,984	48,639
Intangible asset	878	878
Total non-current assets	<u>48,862</u>	<u>49,517</u>
Current Assets		
Inventories	22,979	22,970
Trade and other receivables	3,015	4,436
Prepayments and other assets	3,142	575
Derivative financial assets	-	120
Cash and cash equivalents	24,905	25,815
Total current assets	<u>54,041</u>	<u>53,916</u>
Total assets	<u>102,903</u>	<u>103,433</u>
EQUITY		
Share capital	60,691	60,691
Retained earnings	35,914	32,090
Total equity attributable to owners of the Company	<u>96,605</u>	<u>92,781</u>
Non-controlling interest	-	-
Total equity	<u>96,605</u>	<u>92,781</u>
LIABILITIES		
Non-Current Liabilities		
Deferred tax liabilities	2,900	2,970
Total non-current liabilities	<u>2,900</u>	<u>2,970</u>
Current Liabilities		
Current tax liabilities	868	381
Contract liabilities	503	245
Derivative financial liabilities	95	-
Trade and other payables	1,932	7,056
Total current liabilities	<u>3,398</u>	<u>7,682</u>
Total liabilities	<u>6,298</u>	<u>10,652</u>
Total equity and liabilities	<u>102,903</u>	<u>103,433</u>
Net assets per share (RM)	0.80	0.77

Notes :

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the Interim Financial Statements.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2021**

(The figures have not been audited)

	Share Capital RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 January 2021	60,691	32,090	92,781
Profit and total comprehensive income for the period	-	3,824	3,824
At 30 June 2021	<u>60,691</u>	<u>35,914</u>	<u>96,605</u>
At 1 January 2020	60,691	31,742	92,433
Dividends to the owners of the Company	-	(2,410)	(2,410)
Profit and total comprehensive income for the period	-	468	468
At 30 June 2020	<u>60,691</u>	<u>29,800</u>	<u>90,491</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 2020 and the accompanying explanatory notes attached to the Interim Financial Statements.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2021

(The figures have not been audited)

	Current Year-to-date Ended 30.06.2021 RM'000	Preceding Year-to-date Ended 30.06.2020 RM'000
Cash flows from operating activities		
Profit before taxation	5,239	691
Adjustments for :		
Depreciation of property, plant and equipment	843	975
Finance income	(67)	(95)
Impairment loss on other receivables	311	-
Unrealised gain on foreign exchange	(15)	(48)
Operating profit before changes in working capital	<u>6,311</u>	<u>1,523</u>
Changes in working capital :		
- Inventories	(9)	1,606
- Trade and other payables	(1,464)	(399)
- Trade and other receivables	(1,013)	1,504
Cash generated from operations	<u>3,825</u>	<u>4,234</u>
Net income tax paid	(998)	(663)
Interest received	67	95
Net cash generated from operating activities	<u>2,894</u>	<u>3,666</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(189)	(132)
Net cash used in investing activities	<u>(189)</u>	<u>(132)</u>
Cash flows from financing activities		
Dividend	(3,615)	(2,410)
Net cash used in financing activities	<u>(3,615)</u>	<u>(2,410)</u>
Net (decrease)/increase in cash and cash equivalents	(910)	1,124
Cash and cash equivalents at the beginning of period	<u>25,815</u>	<u>14,035</u>
Cash and cash equivalents at the end of period (Note 1)	<u>24,905</u>	<u>15,159</u>

Note 1

	RM'000	RM'000
Cash and bank balances	6,746	9,557
Highly liquid investment with non-bank financial institution	18,159	5,602
	<u>24,905</u>	<u>15,159</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the Interim Financial Statements.



NOTES TO THE INTERIM FINANCIAL REPORT

PART A : EXPLANATORY NOTES AS PER MFRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB), International Accounting Standard ("IAS") 34: Interim Financial Reporting, issued by the International Accounting Standard Board ("IASB") and Chapter 9 Part K of the Main Market 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 2020 of Classic Scenic Berhad ("CSCENIC" or "the Company"), which were prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"). 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 2020.

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 2020 except for the adoption of the following Amendments to MFRSs:-

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions* beyond 30 June 2021

The following are MFRSs and amendments that have been issued by the Malaysian Accounting Standard Board ("MASB") but have not been adopted by the Group:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments* (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases* (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture* (Annual Improvements to MFRS Standards 2018–2020)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors -Definition of Accounting Estimates*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

A2. Auditors' Report

The auditors' report on the financial statements for the year ended 31 December 2020 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 and financial year to date.

A5. Material Changes in Estimates

There were no changes in accounting estimates that have had material effect in the current quarter under review and financial year to date.

A6. Issuances, Repurchases and Repayment of Debt and Equity Securities

There were no issuances, repurchases 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.



NOTES TO THE INTERIM FINANCIAL REPORT

PART A : EXPLANATORY NOTES AS PER MFRS 134

A7. Dividends Paid

During the six month ended 30 June 2021, a first interim single tier dividend of 3.0 sen per ordinary shares totaling RM3.6 million in respect of the financial year ended 31 December 2020 was paid on 4 January 2021.

A8. Segmental Reporting

The Group is principally engaged in the manufacture and sales of wooden picture frame mouldings and other timber products. The business activities of holding and rental of properties of its subsidiaries are merely inter-segment transactions. The Group's reportable segments result for the financial period ended 30 June 2021 is as follows:-

	Wooden Picture Frame Mouldings 30.06.2021 RM'000	Other Timber Products 30.06.2021 RM'000	Property Holding 30.06.2021 RM'000	Total Current Year To Date 30.06.2021 RM'000	Other Non-reportable Segments 30.06.2021 RM'000	Elimination of Inter-segment Transactions or Balances 30.06.2021 RM'000	Consolidated Total 30.06.2021 RM'000
Segment Profit/(loss)	3,426	(26)	745	4,145	(271)	(50)	3,824
<i>Included in the measure of segment profit are:</i>							
Revenue from external customers	24,561	2,244	-	26,805	-	-	26,805
Inter-segment revenue	-	-	1,377	1,377	-	(1,377)	-
Depreciation	502	88	184	774	-	69	843
Finance Income	35	8	2	45	22	-	67
Tax Expense	1,181	1	252	1,434	-	(19)	1,415
Segment Assets	45,520	4,686	39,510	89,716	67,773	(54,586)	102,903
<i>Included in the measure of segment assets are:</i>							
Additions to non-current assets other than financial instruments and deferred tax assets	92	-	97	189	-	-	189

A9. Subsequent Events

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

A10. Change in The Composition of The Group

There were no changes in the composition of the Group for the quarter ended 30 June 2021 and financial year to date including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinued operation.

A11. Capital Commitments Outstanding Not Provided in The Interim Financial Report

	As at 30.06.2021 RM'000
Capital expenditure commitments	
Property, plant and equipment	
Approved and contracted for	425

NOTES TO THE INTERIM FINANCIAL REPORT
PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS
B1. Review of Performance

Table 1: Financial review for current quarter and financial year to date

	Individual Period 2nd Quarter		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended 30.06.2021	Preceding Year Corresponding Quarter Ended 30.06.2020			Current Year To Date Ended 30.06.2021	Preceding Year To Date Ended 30.06.2020		
	RM'million	RM'million	RM'million	%	RM'million	RM'million	RM'million	%
Revenue	12.5	5.7	6.8	119.3%	26.8	18.1	8.7	48.1%
Gross profit	4.1	0.7	3.4	485.7%	9.2	4.0	5.2	130.0%
Profit/(loss) before tax	2.3	(0.6)	2.9	483.3%	5.2	0.7	4.5	642.9%
Profit/(loss) after tax	1.7	(0.5)	2.2	440.0%	3.8	0.5	3.3	660.0%
Profit/(loss) attributable to Owners of the Company	1.7	(0.5)	2.2	440.0%	3.8	0.5	3.3	660.0%

The Group registered a revenue of RM12.5 million for the current quarter ended 30 June 2021, an increase of RM6.8 million or 119.3% compared to RM5.7 million in the preceding year corresponding quarter ended 30 June 2020 mainly attributable to higher export sales revenue from wooden picture frame moulding. The Group's profit before tax increased by RM2.9 million or 483.3% to RM2.3 million as compared to loss before taxation of RM0.6 million in the preceding year corresponding quarter ended 30 June 2020 mainly attributable to higher export sales revenue and higher cost efficiencies in production.

For the six months ended 30 June 2021, the Group's revenue recorded at RM26.8 million, an increase of RM8.7 million or 48.1% compared to the preceding year corresponding period of RM18.1 million mainly attributable to higher export sales revenue from export of wooden picture frame moulding. The Group's profit before tax was RM5.2 million, an increase of RM4.5 million or 642.9% as compared to RM0.7 million in the preceding year corresponding period ended 30 June 2020 attributed mainly to the higher export sales revenue and higher cost efficiencies in production.

The Group is primarily involved in the manufacturing and sale of wooden picture frame moulding and other timber products, and its operation are carried out solely in Malaysia. Hence, there is no detailed analysis on revenue and earnings of other business operating segments.

B2. Variation of Results Against Preceding Quarter

Table 2: Financial review for current quarter compared with immediate preceding quarter.

	Current Year Quarter Ended 30.06.2021	Immediate Preceding Quarter 31.03.2021	Changes	
	RM'million	RM'million	RM'million	%
Revenue	12.5	14.3	(1.8)	-12.6%
Gross profit	4.1	5.1	(1.0)	-19.6%
Profit before tax	2.3	2.9	(0.6)	-20.7%
Profit after tax	1.7	2.1	(0.4)	-19.0%
Profit attributable to Owners of the Company	1.7	2.1	(0.4)	-19.0%

The Group recorded revenue of RM12.5 million for the current quarter under review, a decrease of RM1.8 million or 12.6% compared to RM14.3 million in the preceding quarter ended 31 March 2020 mainly due to lower export sales from wooden picture frame moulding as a result of the re-imposition of a nationwide lock down ("MCO 3.0") by the government on 12 May 2021 which later transgressed into a full lockdown ("FMCO") on 1 June 2021. The manufacturing plant of wooden picture frame moulding was not allowed to operate from 1 June 2021. The Group's profit before tax for the current quarter was RM 2.3 million, a decrease of RM0.6 million or 20.7% as compared to RM2.9 million in the preceding quarter ended 31 March 2020 mainly due to lower export sales revenue impacted by the re-imposition of nationwide full lockdown.

B3. Current Year Prospects

With the sustained high levels of reported COVID-19 cases due to the highly infectious COVID-19 Delta variant, the government had re-imposed a nationwide full lockdown ("FMCO") from 1 June 2021. The full lockdown constituted a major impediment to the Group's ability to conduct its operations, including being able to meet customers' expectation on delivery lead time and satisfy the export market demand. Following the relaxations on the opening up of the economy was announced by the government on 15 August 2021, the Group is allowed to resume its manufacturing operation subject to fulfilling the conditions set. Despite the various challenges and headwinds that lie before us, the Group shall endeavor to seek all possible avenues and resources to mitigate or overcome them. With the USA jobless claims having hit new pandemic-era low coupled with a sharp rise in fiscal stimulus, the consumers spending is expected to grow at a potentially high rate. Barring any unforeseen circumstances, we expect the Group's performance for the financial year ending 31 December 2021 to remain a satisfactory level.

NOTES TO THE INTERIM FINANCIAL REPORT

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

B4. Profit Forecast and Estimates Announced or Disclosed

Not applicable as there were no profit forecast or estimates that have been announced or disclosed for the financial year ended 30 June 2021.

B5. Variance of Actual and Forecast Profit

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

B6. Taxation

	Preceding Year		Preceding Year	
	Current Year	Corresponding	Current Year	Corresponding
	Quarter	Quarter	To Date	Period
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- current	582	(108)	1,485	307
Deferred tax expense				
Origination and reversal of temporary differences				
- current	45	(30)	(70)	(84)
	<u>627</u>	<u>(138)</u>	<u>1,415</u>	<u>223</u>

The effective tax rate for the quarter under review and current year to date was 27% . The effective tax rate was higher than the statutory rate of 24% mainly due to the non-allowable expenses.

B7. Status of Corporate Proposal

The Company had on 31 March 2021, announced that the Company proposed to undertake the following Proposals:

- 1) Proposed bonus issue of 120,499,740 Bonus Shares together with 120,499,740 Warrants, on the basis of 1 Bonus Share together with 1 Warrant for every 1 existing Share held on by the shareholders of the Company.
- 2) Proposed establishment of an employees' share option scheme ("ESOS") involving up to 15% of the total number of issued shares of CSCENIC (excluding treasury shares, if any) for eligible directors and employees of the Company and its subsidiaries.

Bursa Securities had, vide its letter dated 24 June 2021, approved the following:-

- 1) Listing and quotation of 120,499,740 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares;
- 2) Admission to the Official List and listing and quotation for up to 120,499,740 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;
- 3) Listing and quotation for up to 120,499,740 new CSCENIC shares to be issued arising from exercise of the Warrants;
- 4) Listing and quotation of such number of CSCENIC Shares, representing up to 15% of the total number of issued CSCENIC Shares (excluding treasury shares) to be issued pursuant to the Proposed ESOS.

The above approval granted by Bursa Securities is subject to the conditions which were stated in the Company's announcement dated 24 June 2021.

The Bonus Issue of Shares was completed following the listing and quotation for 120,499,740 Bonus Shares on the Main Market of Bursa Securities on 3 August 2021. Whereas, the Bonus Issue of Warrants was completed following the listing and quotation for 120,499,740 Warrants on the Main Market of Bursa Securities on 12 August 2021.

Please refer to our announcements to Bursa Securities dated 31 March 2021, 30 April 2021, 11 May 2021, 31 May 2021, 10 June 2021, 24 June 2021, 30 June 2021, 15 July 2021, 19 July 2021, 2 August 2021, 11 August 2021 and 12 August 2021 for further details.

B8. Group Borrowings and Debt Securities

As at 30 June 2021, the Group does not have any bank borrowings.

B9. Derivative Financial Instruments

As at 30 June 2021, the Group has the following outstanding derivatives financial instruments:-

Currency Forward Contracts	Principal or Notional Amount	Fair value	
		Assets	Liabilities
	RM'000	RM'000	RM'000
- Less than 1 year	<u>14,908</u>	<u>-</u>	<u>(95)</u>

The purpose of entering currency forward contracts is to minimise the impact of unfavourable movement in exchange rate on the trade receivables and expected sales denominated in United States Dollar. There are no cash requirements for these contracts.

The market risk posed by the Group's currency forward contracts depends on the economic changes that may impact market prices. As the exchange rate is pre-determined under such contracts, the market risk in these instruments is not significant. The currency forward contracts are transacted with the Group's banker and the credit risk for non-performance by the counterparty in these instruments is minimal.

The fair value derivative liabilities amounting to RM95,000 has been recognised in the financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

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

B10. Material Litigation

Since the last Audited Financial Statements for the year ended 31 December 2020, the Group does not have any material litigation until the date of this report.

B11. Dividends

No dividend has been proposed or declared by the Board for the current quarter under review.

B12. Basis of Calculation of Earnings Per Share

	Preceding Year		Preceding Year	
	Current Year Quarter 30.06.2021	Corresponding Quarter 30.06.2020	Current Year To Date 30.06.2021	Corresponding Period 30.06.2020
Basic earnings per share				
Net profit/(loss) attributable to equity holders (RM'000)	1,707	(487)	3,824	468
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	120,500	120,500	120,500	120,500
Basic Earnings Per Share (sen)	1.42	(0.40)	3.17	0.39

The diluted earnings per share is not presented as there is no dilutive potential outstanding share in issue.

B13. Profit for the Period

	Preceding Year		Preceding Year	
	Current Year Quarter 30.06.2021 RM'000	Corresponding Quarter 30.06.2020 RM'000	Current Year To Date 30.06.2021 RM'000	Corresponding Period 30.06.2020 RM'000
Profit and total comprehensive income for the period is arrived at after crediting/(charging):				
Interest income	10	38	67	95
Depreciation of property, plant and equipment	(413)	(481)	(843)	(975)
Gain on foreign exchange	175	21	171	396
Gain/(loss) on derivatives	59	36	(155)	(506)
Impairment loss on other receivable	(161)	-	(311)	-

Save as disclosed above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

By order of the Board

WONG YOUN KIM
Company Secretary
MAICSA 7018778