



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTH ENDED 31 MARCH 2019**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31.03.2019 RM'000 (Unaudited)	Preceding Year Corresponding Quarter Ended 31.03.2018 RM'000 (Unaudited)	Current Year To Date Ended 31.03.2019 RM'000 (Unaudited)	Preceding Year To Date Ended 31.03.2018 RM'000 (Unaudited)
Revenue	15,592	15,952	15,592	15,952
Cost of sales	(11,028)	(11,949)	(11,028)	(11,949)
Gross profit	4,564	4,003	4,564	4,003
Operating expenses	(1,982)	(1,969)	(1,982)	(1,969)
Other operating income	84	66	84	66
Profit before taxation	2,666	2,100	2,666	2,100
Taxation	(660)	(522)	(660)	(522)
Profit and total comprehensive income for the period	<u>2,006</u>	<u>1,578</u>	<u>2,006</u>	<u>1,578</u>
Attributable to:				
Owners of the Company	2,006	1,578	2,006	1,578
Non-controlling interest	-	-	-	-
	<u>2,006</u>	<u>1,578</u>	<u>2,006</u>	<u>1,578</u>
Earning per share				
Basic earnings per share (sen)	<u>1.66</u>	<u>1.31</u>	<u>1.66</u>	<u>1.31</u>
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</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 2018 and the accompanying explanatory notes attached to the Interim Financial Statements.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	(Unaudited) As at 31.03.2019 RM'000	(Audited) As at 31.12.2018 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	51,211	51,228
Intangible asset	878	878
Total non-current assets	52,089	52,106
Current Assets		
Inventories	24,336	24,375
Trade and other receivables	6,617	7,318
Prepayments and other assests	1,413	1,861
Current tax assets	688	1,064
Derivative financial assets	154	-
Cash and cash equivalents	17,558	14,907
Total current assets	50,766	49,525
Total assets	102,855	101,631
EQUITY		
Share capital	60,691	60,691
Retained earnings	31,701	34,515
Total equity attributable to owners of the Company	92,392	95,206
Non-controlling interest	-	-
Total equity	92,392	95,206
LIABILITIES		
Non-Current Liabilities		
Deferred tax liabilities	3,338	3,275
Total non-current liabilities	3,338	3,275
Current Liabilities		
Current tax liabilities	51	43
Trade and other payables	2,186	2,956
Contract Liabilities	68	29
Derivative financial liabilities	-	122
Dividend payable	4,820	-
Total current liabilities	7,125	3,150
Total liabilities	10,463	6,425
Total equity and liabilities	102,855	101,631
Net assets per share (RM)	0.77	0.79

Notes :

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the Interim Financial Statements.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2019**

(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 January 2019	60,691	-	34,515	95,206
Dividends to the owners of the Company	-	-	(4,820)	(4,820)
Profit and total comprehensive income for the period	-	-	2,006	2,006
At 31 March 2019	<u>60,691</u>	<u>-</u>	<u>31,701</u>	<u>92,392</u>
At 1 January 2018	60,691	-	35,717	96,408
Dividends to the owners of the Company	-	-	(6,025)	(6,025)
Profit and total comprehensive income for the period	-	-	1,578	1,578
At 31 March 2018	<u>60,691</u>	<u>-</u>	<u>31,270</u>	<u>91,961</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 2018 and the accompanying explanatory notes attached to the Interim Financial Statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2019**

(The figures have not been audited)

	Current Year-to-date 31.03.2019 RM'000	Preceding Corresponding Period 31.03.2018 RM'000
Cash flows from operating activities		
Profit before taxation	2,666	2,100
Adjustments for :		
Depreciation of property, plant and equipment	502	500
Finance income	(84)	(66)
Unrealised (gain)/ loss on foreign exchange	(111)	410
Operating profit before changes in working capital	<u>2,973</u>	<u>2,944</u>
Changes in working capital :		
- Inventories	39	2,166
- Trade and other payables	(854)	33
- Trade and other receivables	1,107	2,265
Cash generated from operations	<u>3,265</u>	<u>7,408</u>
Net income tax paid	(214)	(747)
Interest received	84	66
Net cash generated from operating activities	<u>3,135</u>	<u>6,727</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(484)	(1,012)
Net cash used in investing activities	<u>(484)</u>	<u>(1,012)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	2,651	5,715
Cash and cash equivalents at the beginning of period	14,907	14,190
Cash and cash equivalents at the end of period (Note 1)	<u>17,558</u>	<u>19,905</u>

Note 1

	RM'000	RM'000
Cash and bank balances	9,827	10,442
Highly liquid investment with non-bank financial institution	7,731	9,463
	<u>17,558</u>	<u>19,905</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2018 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 2018.

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 2018 except for the adoption of the following MFRSs, interpretations and Amendments to MFRSs, which are applicable to its financial statements and are relevant to its operations:-

Effective for annual periods beginning on or after 1 January 2019

- MFRS 16, Leases
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments - Prepayment Features with Negative Compensation*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Plan Amendment, Curtailment or Settlement*

The adoption of the above amendments to MFRSs did not have any significant financial impacts on the Group's financial results.

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

Effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 2, *Share-Based Payment*
- Amendment to MFRS 3, *Business Combinations*
- Amendments to MFRS 6, *Exploration for and Evaluation of Mineral Resources*
- Amendment to MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to MFRS 134, *Interim Financial Reporting*
- Amendment to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*
- Amendment to MFRS 138, *Intangible Assets*
- Amendment to IC Interpretation 12, *Service Concession Arrangements*
- Amendment to IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendment to IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendment to IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to IC Interpretation 132, *Intangible Assets—Web Site Costs*

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

- MFRS 17, *Insurance Contracts*

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 2018 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.



NOTES TO THE INTERIM FINANCIAL REPORT
PART A : EXPLANATORY NOTES AS PER MFRS 134

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.

A7. Dividends Paid

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

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 31 March 2019 is as follows:-

	Wooden Picture Frame Mouldings 31.03.2019 RM'000	Other Timber Products 31.03.2019 RM'000	Property Holding 31.03.2019 RM'000	Total Current Year To Date 31.03.2019 RM'000
Segment Profit	1,730	49	310	2,089
<i>Included in the measure of segment profit are:</i>				
Revenue from external customers	13,675	1,917	-	15,592
Inter-segment revenue	-	-	626	626
Depreciation	327	42	98	467
Finance Income	17	1	2	20
Tax Expense	543	19	109	671
Segment Assets	45,631	5,398	41,459	92,488
<i>Included in the measure of segment assets are:</i>				
Additions to non-current assets other than financial instruments and deferred tax assets	278	-	207	485

A9. Subsequent Events

There were no 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 31 March 2019 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 31.03.2019 RM'000
Capital expenditure commitments	
Property, plant and equipment	
Approved and contracted for	<u>296</u>



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 1st Quarter		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended 31.03.2019	Preceding Year Corresponding Quarter Ended 31.03.2018			Current Year To Date Ended 31.03.2019	Preceding Year Corresponding Quarter Ended 31.03.2018		
	RM'000	RM'000	RM'million	%	RM'000	RM'000	RM'million	%
Revenue	15,592	15,952	(0.4)	-2.5%	15,592	15,952	(0.4)	-2.5%
Gross profit	4,564	4,003	0.6	15.0%	4,564	4,003	0.6	15.0%
Profit before tax	2,666	2,100	0.6	28.6%	2,666	2,100	0.6	28.6%
Profit after tax	2,006	1,578	0.4	25.0%	2,006	1,578	0.4	25.0%
Profit attributable to Owners of the Company	2,006	1,578	0.4	25.0%	2,006	1,578	0.4	25.0%

The Group registered a revenue of RM15.6 million for the current quarter ended 31 March 2019, a decrease of RM0.4 million or 2.5% compared to RM16.0 million in the preceding year corresponding quarter ended 31 March 2018 mainly attributable to lower export sales volume from wooden picture frame moulding. Despite the Group recorded a lower revenue, the Group's profit before tax increased by RM0.6 million or 28.6% to RM2.7 million as compared to RM2.1 million in the preceding year corresponding quarter ended 31 March 2018 mainly attributable to the strengthening of US Dollar.

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 31.03.2019	Immediate Preceding Quarter 31.12.2018	Changes	
	RM'000	RM'000	RM'million	%
Revenue	15,592	15,502	0.1	0.6%
Gross profit	4,564	3,800	0.8	21.1%
Profit before tax	2,666	2,012	0.7	35.0%
Profit after tax	2,006	1,946	0.1	5.3%
Profit attributable to Owners of the Company	2,006	1,946	0.1	5.3%

The Group recorded revenue of RM15.6 million for the current quarter under review, a slight increase of RM0.1 million or 0.6% compared to RM15.5 million in the preceding quarter ended 31 December 2018 mainly due to higher export sales volume from wooden picture frame moulding. The Group's profit before tax for the current quarter was RM 2.7 million, an increase of RM0.7 million or 35% as compared to RM2.0 million in the preceding quarter ended 31 December 2018 mainly due to the savings derived from the more efficient use and sourcing of raw materials.



NOTES TO THE INTERIM FINANCIAL REPORT

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

B3. Current Year Prospects

The uncertainties arising from the ongoing trade tensions between the two world largest economies shall continue to pose immense challenges to the Group. To be better equipped to weather the uncertainties and challenges, the Group shall remain steadfast in developing and introducing new sellable products that could drive steady business growth. In addition, the cost pressure arising from higher raw material prices has abated and coupled with the Group's efforts in actively seeking and investing in financially viable production automation to improve operational efficiency and barring any unforeseen circumstances, we expect to perform satisfactorily for the financial year ending 31 December 2019.

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 period ended 31 March 2019.

B5. Variance of Actual and Forecast Profit

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

B6. Taxation

	Current Year Quarter 31.03.2019 RM'000	Preceding Year Corresponding Quarter 31.03.2018 RM'000	Current Year To Date 31.03.2019 RM'000	Preceding Year Corresponding Period 31.03.2018 RM'000
Current tax expense				
- current	598	525	598	525
Deferred tax expense				
Origination and reversal of temporary differences				
- current	62	(3)	62	(3)
	<u>660</u>	<u>522</u>	<u>660</u>	<u>522</u>

The effective tax rate for the quarter under review was 25%. The effective rate for the current quarter under review was slightly higher than the statutory rate of 24% mainly due to the non-tax allowable expenses.

B7. Status of Corporate Proposal

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

B8. Group Borrowings and Debt Securities

As at 31 March 2019, the Group does not have any bank borrowings.

B9. Derivative Financial Instruments

As at 31 March 2019, the Group has the following outstanding derivatives financial instruments:-

Currency Forward Contracts	Principal or Notional Amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
- Less than 1 year	<u>12,425</u>	<u>154</u>	<u>-</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 assets amounting to RM154,000 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 2018, the Group does not have any material litigation until the date of this report.

B11. Dividends

On 26 February 2019, the Board declared a second interim single tier dividend of 4.0 sen per ordinary share totaling RM4.8 million in respect of the financial year ended 31 December 2018. The dividend was paid on 18 April 2019 to depositors registered in the Record of Depositors on 3 April 2019.

B12. Basis of Calculation of Earnings Per Share

	Current Year Quarter 31.03.2019	Preceding Year Corresponding Quarter 31.03.2018	Current Year To Date 31.03.2019	Preceding Year Corresponding Period 31.03.2018
Basic earnings per share				
Net profit attributable to equity holders (RM'000)	2,006	1,578	2,006	1,578
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)	1.66	1.31	1.66	1.31

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

B13. Profit for the Period

	Current Year Quarter 31.03.2019 RM'000	Preceding Year Corresponding Quarter 31.03.2018 RM'000	Current Year To Date 31.03.2019 RM'000	Preceding Year Corresponding Period 31.03.2018 RM'000
Profit and total comprehensive income for the period is arrived at after crediting/(charging):				
Interest income	84	66	84	66
Depreciation of property, plant and equipment	(502)	(500)	(502)	(500)
Loss on foreign exchange	(191)	(441)	(191)	(441)
Gain on derivatives	215	432	215	432

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