



**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTH ENDED 31 MARCH 2021**

( The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31.03.2021 RM'000	Preceding Year Corresponding Quarter Ended 31.03.2020 RM'000	Current Year To Date Ended 31.03.2021 RM'000	Preceding Year To Date Ended 31.03.2020 RM'000
Revenue	14,281	12,392	14,281	12,392
Cost of sales	(9,188)	(9,092)	(9,188)	(9,092)
Gross profit	<u>5,093</u>	<u>3,300</u>	<u>5,093</u>	<u>3,300</u>
Operating expenses	(2,245)	(2,041)	(2,245)	(2,041)
Other operating income	57	57	57	57
Profit before taxation	<u>2,905</u>	<u>1,316</u>	<u>2,905</u>	<u>1,316</u>
Taxation	(788)	(361)	(788)	(361)
Profit and total comprehensive income for the period	<u><u>2,117</u></u>	<u><u>955</u></u>	<u><u>2,117</u></u>	<u><u>955</u></u>
<b>Attributable to:</b>				
Owners of the Company	2,117	955	2,117	955
Non-controlling interest	-	-	-	-
	<u><u>2,117</u></u>	<u><u>955</u></u>	<u><u>2,117</u></u>	<u><u>955</u></u>
<b>Earning per share</b>				
Basic earnings per share (sen)	<u>1.76</u>	<u>0.79</u>	<u>1.76</u>	<u>0.79</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 2020 and the accompanying explanatory notes attached to the Interim Financial Statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021**

	(Unaudited) As at 31.03.2021 RM'000	(Audited) As at 31.12.2020 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	48,307	48,639
Intangible asset	878	878
<b>Total non-current assets</b>	<u>49,185</u>	<u>49,517</u>
<b>Current Assets</b>		
Inventories	23,343	22,970
Trade and other receivables	2,188	4,436
Prepayments and other assets	1,436	575
Derivative financial assets	-	120
Cash and cash equivalents	24,904	25,815
<b>Total current assets</b>	<u>51,871</u>	<u>53,916</u>
<b>Total assets</b>	<u><u>101,056</u></u>	<u><u>103,433</u></u>
<b>EQUITY</b>		
Share capital	60,691	60,691
Retained earnings	34,207	32,090
Total equity attributable to owners of the Company	<u>94,898</u>	<u>92,781</u>
Non-controlling interest	-	-
<b>Total equity</b>	<u>94,898</u>	<u>92,781</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	2,854	2,970
<b>Total non-current liabilities</b>	<u>2,854</u>	<u>2,970</u>
<b>Current Liabilities</b>		
Current tax liabilities	668	381
Contract liabilities	321	245
Derivative financial liabilities	263	-
Trade and other payables	2,052	7,056
<b>Total current liabilities</b>	<u>3,304</u>	<u>7,682</u>
<b>Total liabilities</b>	<u>6,158</u>	<u>10,652</u>
<b>Total equity and liabilities</b>	<u><u>101,056</u></u>	<u><u>103,433</u></u>
Net assets per share (RM)	0.79	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 FIRST QUARTER ENDED 31 MARCH 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

	Share Capital RM'000	Retained Earnings RM'000	Total Equity RM'000
<b>At 1 January 2021</b>	60,691	32,090	92,781
Profit and total comprehensive income for the period	-	2,117	2,117
<b>At 31 March 2021</b>	<u>60,691</u>	<u>34,207</u>	<u>94,898</u>
<b>At 1 January 2020</b>	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	-	955	955
<b>At 31 March 2020</b>	<u>60,691</u>	<u>30,287</u>	<u>90,978</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 FIRST QUARTER ENDED 31 MARCH 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

	Current Year-to-date Ended 31.03.2021 RM'000	Preceding Year-to-date Ended 31.03.2020 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	2,905	1,316
Adjustments for :		
Depreciation of property, plant and equipment	430	494
Finance income	(57)	(57)
Impairment loss on other receivables	150	-
Unrealised loss/(gain) on foreign exchange	290	(17)
<b>Operating profit before changes in working capital</b>	<u>3,718</u>	<u>1,736</u>
Changes in working capital :		
- Inventories	(372)	2,571
- Trade and other payables	(1,201)	(283)
- Trade and other receivables	1,217	(686)
<b>Cash generated from operations</b>	<u>3,362</u>	<u>3,338</u>
Net income tax paid	(616)	(664)
Interest received	57	57
<b>Net cash generated from operating activities</b>	<u>2,803</u>	<u>2,731</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(99)	(129)
<b>Net cash used in investing activities</b>	<u>(99)</u>	<u>(129)</u>
<b>Cash flows from financing activities</b>		
Dividend	(3,615)	-
<b>Net cash used in financing activities</b>	<u>(3,615)</u>	<u>-</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(911)	2,602
<b>Cash and cash equivalents at the beginning of period</b>	<u>25,815</u>	<u>14,035</u>
<b>Cash and cash equivalents at the end of period (Note 1)</b>	<u>24,904</u>	<u>16,637</u>

Note 1

	RM'000	RM'000
Cash and bank balances	8,008	8,705
Highly liquid investment with non-bank financial institution	16,896	7,932
	<u>24,904</u>	<u>16,637</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 MFRS 16, *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 current quarter under review, 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 31 March 2021 is as follows:-

	Wooden Picture Frame Mouldings 31.03.2021 RM'000	Other Timber Products 31.03.2021 RM'000	Property Holding 31.03.2021 RM'000	Total Current Year To Date 31.03.2021 RM'000	Other Non-reportable Segments 31.03.2021 RM'000	Elimination of Inter-segment Transactions or Balances 31.03.2021 RM'000	Consolidated Total 31.03.2021 RM'000
<b>Segment Profit/ (loss)</b>	1,707	220	371	2,298	(156)	(25)	2,117
<i>Included in the measure of segment profit are:</i>							
Revenue from external customers	12,939	1,342	-	14,281	-	-	14,281
Inter-segment revenue	-	-	689	689	-	(689)	-
Depreciation	260	44	92	396	-	34	430
Finance Income	35	-	1	36	21	-	57
Tax Expense	603	70	125	798	-	(10)	788
<b>Segment Assets</b>	45,435	5,146	39,501	90,082	67,838	(56,864)	101,056
<i>Included in the measure of segment assets are:</i>							
Additions to non-current assets other than financial instruments and deferred tax assets	22	-	77	99	-	-	99

**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 31 March 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 31.03.2021 RM'000
Capital expenditure commitments	
Property, plant and equipment	
Approved and contracted for	351

**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 31.03.2021	Preceding Year Corresponding Quarter Ended 31.03.2020			Current Year To Date Ended 31.03.2021	Preceding Year Corresponding Quarter Ended 31.03.2020		
	RM'million	RM'million	RM'million	%	RM'million	RM'million	RM'million	%
Revenue	14.3	12.4	1.9	15.3%	14.3	12.4	1.9	15.3%
Gross profit	5.1	3.3	1.8	54.5%	5.1	3.3	1.8	54.5%
Profit before tax	2.9	1.3	1.6	123.1%	2.9	1.3	1.6	123.1%
Profit after tax	2.1	1.0	1.1	110.0%	2.1	1.0	1.1	110.0%
Profit attributable to Owners of the Company	2.1	1.0	1.1	110.0%	2.1	1.0	1.1	110.0%

The Group registered a revenue of RM14.3 million for the current quarter ended 31 March 2021, an increase of RM1.9 million or 15.3% compared to RM12.4 million in the preceding year corresponding quarter ended 31 March 2020 mainly attributable to higher export sales revenue from wooden picture frame moulding. The Group's profit before tax surged to RM2.9 million, an increase of RM1.6 million or 123.1% compared to RM1.3 million in the preceding year corresponding quarter ended 31 March 2020 mainly attributable to higher export volume of wooden picture frame moulding, higher average product selling price 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 31.03.2021	Immediate Preceding Quarter 31.12.2020	Changes	
	RM'million	RM'million	RM'million	%
Revenue	14.3	14.7	(0.4)	-2.7%
Gross profit	5.1	5.7	(0.6)	-10.5%
Profit before tax	2.9	4.1	(1.2)	-29.3%
Profit after tax	2.1	3.1	(1.0)	-32.3%
Profit attributable to Owners of the Company	2.1	3.1	(1.0)	-32.3%

The Group's recorded revenue of RM14.3 million, a decrease of RM0.4 million or 2.7% compared to RM14.7 million in the preceding quarter ended 31 December 2020 mainly due to lower export sales revenue from wooden picture frame moulding. The Group's export proceeds are mainly denominated in US Dollars and the weakening of US Dollar had lower the gross profit margin to 36% for the current quarter compared to 39% in the preceding quarter ended 31 December 2020. The Group's profit before tax for the current quarter was RM2.9 million, a decrease of RM1.2 million or 29.3% compared to RM4.1 million in the preceding quarter ended 31 December 2020 mainly attributable to lower export sales revenue from wooden picture frame moulding, the weakening of US Dollars and higher operating expenses.

**B3. Current Year Prospects**

With the US jobless claims having hit a fresh pandemic low coupled with a sharp rise in stimulus-induced spending, the US economy is expected to grow at a potentially high rate. However, the global supply chains have been strained by this fast rising demand and our group is no exception. This situation is exacerbated by not only the in-availability of new foreign production employees resulting from the lockdown but also a decline in the workforce due to expiry or non-renewal of contracts. 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. Barring any unforeseen circumstances, we expect the Group's performance for the financial year ending 31 December 2021 to rebound to 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 31 March 2021.

**B5. Variance of Actual and Forecast Profit**

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

**B6. Taxation**

	Current Year Quarter 31.03.2021 RM'000	Preceding Year Corresponding Quarter 31.03.2020 RM'000	Current Year To Date 31.03.2021 RM'000	Preceding Year Corresponding Period 31.03.2020 RM'000
Current tax expense				
- current	903	415	903	415
Deferred tax expense				
Origination and reversal of temporary differences				
- current	(115)	(54)	(115)	(54)
	<u>788</u>	<u>361</u>	<u>788</u>	<u>361</u>

The effective tax rate for the quarter under review 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**

On behalf of the Board of Directors of CSCENIC (“Board”), M&A Securities Sdn Bhd (“M&A Securities”) 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 whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later; and
- 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.

The above proposals are subject to approval from Bursa securities and shareholders of the Company. Please refer to announcement dated 31 March 2021, 30 April 2021, 11 May 2021 for further details.

**B8. Group Borrowings and Debt Securities**

As at 31 March 2021, the Group does not have any bank borrowings.

**B9. Derivative Financial Instruments**

As at 31 March 2021, the Group has the following outstanding derivatives financial instruments:-

Currency Forward Contracts	Principal or Notional Amount RM'000	Fair value	
		Assets	Liabilities
		RM'000	RM'000
- Less than 1 year	<u>17,638</u>	<u>-</u>	<u>(263)</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 RM263,000 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**

	Current Year Quarter 31.03.2021	Preceding Year Corresponding Quarter 31.03.2020	Current Year To Date 31.03.2021	Preceding Year Corresponding Period 31.03.2020
<b>Basic earnings per share</b>				
Net profit attributable to equity holders (RM'000)	2,117	955	2,117	955
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)	1.76	0.79	1.76	0.79

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 31.03.2021 RM'000	Preceding Year Corresponding Quarter 31.03.2020 RM'000	Current Year To Date 31.03.2021 RM'000	Preceding Year Corresponding Period 31.03.2020 RM'000
<b>Profit and total comprehensive income for the period is arrived at after crediting/(charging):</b>				
Interest income	57	57	57	57
Depreciation of property, plant and equipment	(430)	(494)	(430)	(494)
(Loss)/gain on foreign exchange	(4)	375	(4)	375
Loss on derivatives	(241)	(542)	(214)	(542)
Impairment loss on other receivable	(150)	-	(150)	-

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  
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