

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

		al Quarter Preceding Year	Cumulative Quarter Preceding Year		
	Current Year Quarter Ended 31.12.2023 RM'000 (Unaudited)	Corresponding Quarter Ended 31.12.2022 RM'000 (Unaudited)	Current Year To Date Ended 31.12.2023 RM'000 (Unaudited)	To Date Ended 31.12.2022 RM'000 (Audited)	
Revenue	9,925	17,679	44,535	78,841	
Cost of sales	(8,384)	(10,764)	(33,660)	(46,842)	
Gross profit	1,541	6,915	10,875	31,999	
Operating expenses Other expenses Other operating income (Loss)/Profit from operations	(2,542) (28) 193 (836)	(2,074) - 272 5,113	(9,491) (28) 650 2,006	(9,837) - 579 - 22,741	
Finance costs	(8)	-	(8)	-	
(Loss)/Profit before taxation	(844)	5,113	1,998	22,741	
Income tax expense	(42)	(959)	(878)	(3,747)	
(Loss)/Profit and total comprehensive income for the period	(886)	4,154	1,120	18,994	
Attributable to: Owners of the Company	(842)	4,154	1,164	18,994	
Non-controlling interest	(44)	4,154	1,120	18,994	
(Loss)/Earning per share (s Basic (loss)/earnings per share*	sen) (0.22)	1.13	0.31	5.23	
SHALE	(0.22)	1.13	0.31	5.23	
Diluted (loss)/earnings per share*	(0.22)	1.00	0.28	4.61	
	(/				

<sup>\* -</sup> Adjusted for the effect of bonus issue and effect of additional warrants arising pursuant to the bonus issue completed on 12 May 2023.

#### Notes:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Statements.



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	As at 31.12.2023 RM'000 (Unaudited)	As at 31.12.2022 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	113,076	113,682
Intangible asset	1,177	1,177
Right-of-use assets	188	
Total non-current assets	114,441	114,859
Current Assets		
Inventories	21,821	29,509
Trade and other receivables	3,758	5,624
Prepayments	914	758
Derivative financial assets	121	207
Current tax assets	1,143	492
Cash and cash equivalents	21,801	24,129
Total current assets	49,558	60,719
Total assets	163,999	175,578
FOUTV		
EQUITY Share capital	67,962	64,630
Revaluation reserve	38,707	38,707
Translation reserve	30,707	30,707
Retained earnings	44,786	57,492
Total equity attributable to owners of the Company	151,456	160,829
Non-controlling interest	(48)	-
Total equity	151,408	160,829
LIABILITIES		
Non-Current Liabilities		
Deferred tax liabilities	8,269	8,460
Lease liabilities	64	-
Total non-current liabilities	8,333	8,460
Current Liabilities		
Current tax liabilities	117	117
Contract liabilities	142	491
Trade and other payables	3,871	5,681
Lease liabilities	128	
Total current liabilities	4,258	6,289
Total liabilities	12,591	14,749
Total equity and liabilities	163,999	175,578
Net assets per share (RM)*	0.40	0.43

<sup>\*</sup> Adjusted for the effect of bonus issue completed on 12 May 2023.

#### Notes

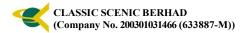
The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Statements.



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(The figures have not been audited)

	Attributable to owners of the Company						
		Non-distributa	able	Distributable			
	Share Capital RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
At 1 January 2023	64,630	-	38,707	57,492	160,829	-	160,829
Profit and total comprehensive income for the year	-	-	-	1,164	1,164	(44)	1,120
Foreign currency translation difference for foreign operations	-	1	-	-	1	-	1
Proceeds from issuance of ordinary shares pursuant to exercise of warrants	3,332	-	-	-	3,332	-	3,332
Dividends to the owners of the Company	-	-	-	(13,870)	(13,870)	-	(13,870)
Changes in owenership interest in subsidiaries	-	-	-	-	-	(4)	(4)
At 31 December 2023	67,962	1	38,707	44,786	151,456	(48)	151,408

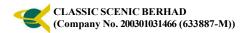


# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(The figures have not been audited)

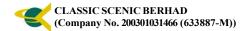
	Share Capital RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
At 1 January 2022	60,698	-	38,707	38,498	137,903	-	137,903
Profit and total comprehensive income for the year	-	-	-	18,994	18,994	-	18,994
Proceeds from issuance of ordinary shares pursuant to exercise of warrants	3,932	_	-	-	3,932	_	3,932
At 31 December 2022	64,630	-	38,707	57,492	160,829	-	160,829

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Statements.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

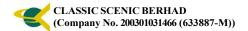
	Current Year-to-date Ended 31.12.2023 RM'000	Preceding Year-to-date Ended 31.12.2022 RM'000
	(Unaudited)	(Audited)
Cash flows from operating activities		
Profit before taxation	1,998	22,741
Adjustments for :		
- Depreciation of property, plant and equipment	2,975	2,589
- Depreciation of right-of-use assets	74	-
- Finance costs	8	-
- (Gain)/Loss on disposal of property,		
plant and equipment	(69)	134
- Interest income	(534)	(191)
- Write-down of inventories	228	-
- Net impairment loss on intangible assets	28	-
- Property, plant and equipment written off	1	25
- Unrealised loss/(gain) on foreign exchange	6	(125)
Operating profit before changes in	4,715	25,173
working capital		
Changes in working capital :		
- Inventories	7,459	(2,333)
- Trade and other payables	(1,346)	978
- Trade and other receivables	2,054	746
Cash generated from operations	12,882	24,564
Net income tax paid	(1,721)	(2,863)
Interest received	534	191
Interest paid	(8)	-
Net cash generated from operating activities	11,687	21,892
Cash flows from investing activities		
Acquisition of property, plant and equipment (Note 2)	(3,623)	(18,072)
Acquisition of subsidiaries, net of cash acquired	(21)	(297)
Proceeds from disposal of property,		
plant and equipment	236	121
Net cash used in investing activities	(3,408)	(18,248)



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Current Year-to-date Ended 31.12.2023 RM'000 (Unaudited)	Preceding Year-to-date Ended 31.12.2022 RM'000 (Audited)
Cash flows from financing activities		
Dividend paid to owners of the Company	(13,870)	-
Proceeds from issuance of shares	3,332	3,931
Payment of lease liabilities	(70)	
Net cash (used in)/generated from		
financing activities	(10,608)	3,931
Net (decrease)/increase in cash and cash equivalents	(2,329)	7,575
Effect of exchange rate fluctuations on cash held	1	-
Cash and cash equivalents at the beginning	24,129	16,554
of financial year  Cash and cash equivalents at the end of	24,129	10,554
financial year (Note 1)	21,801	24,129
Note 1 : Cash and cash equivalents at the end of financial year	<u>ear</u>	
Cash and bank balances	14,595	8,204
Highly liquid investment with non-bank	7.000	45.005
financial institution	7,206	15,925
	21,801	24,129
Note 2 : Acquisition of property, plant and equipment		
Purchase of property, plant and equipment	2,538	21,337
Add : Settlement of amount due to creditor for pur		,
of property, plant and equipment acquired	•	
year Less : Amount due to creditor	1,085	(1,085)
: Deposits paid in prior year	- -	(2,180)
. Doposito pala in pilot you	3,623	18,072
	-,	

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 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) and Chapter 9 Para 9.22 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 2022 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 2022.

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 2022 except for the adoption of the following Amendments to MFRSs, which are applicable to its financial statements and are relevant to its operation:-

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

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts Initial application of MFRS 17 and MFRS 9 Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors Definition of Accounting Estimates
- Amendments to MFRS 112, Income taxes-Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform Pillar Two Model Rules

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

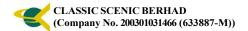
The following are MFRSs and amendments that have been issued by the Malaysian Accounting Standard Board ("MASB") but have not been adopted by the Group:

## MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Leases (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101, Presentation of Financial Statements Non-current Liabilities with Covenants and Classification of Liabilities as Current and Non-current

## MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability



#### PART A: EXPLANATORY NOTES AS PER MFRS 134 (CONTINUED)

## A1. Basis of Preparation (Continued)

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 2022 of the Group was not qualified.

### A3. Seasonal and Cyclical factors

The Group's performance is not subject to seasonality or cyclicality.

#### 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 and financial year under review to date.

#### A5. Material Changes in Estimates

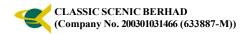
There were no changes in accounting estimates that have had material effect in the current quarter and financial year under review to date.

## 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 and financial year under review to date except as follows:-

## a) Bonus Issue of Ordinary Shares

On 12 May 2023, the Company has completed a bonus issue of 126,430,188 new ordinary shares on the basis of one (1) bonus share for every two (2) existing CSCENIC ordinary shares.



#### PART A: EXPLANATORY NOTES AS PER MFRS 134 (CONTINUED)

#### A6. Issuances, Repurchases and Repayment of Debt and Equity Securities (Continued)

#### b) Warrants 2021/2026

The Company had on 9 August 2021 issued 120,499,740 free Warrants on the basis of one (1) Warrant for every one (1) existing CSCENIC ordinary share. The Warrants are constituted by a Deed Poll dated 19 July 2021.

The salient terms of the Warrants 2021/2026 are as follows: -

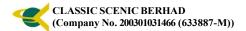
- i. Each Warrant entitles the registered Warrant holder to subscribe for one (1) new CSCENIC ordinary share at any time on or before the maturity date, 8 August 2026, falling five (5) years from the date of issue of the Warrants. Unexercised Warrants after the exercise period will thereafter lapse and cease to be valid;
- ii. The exercise price of the Warrants is fixed at RM0.61 per Warrant;
- iii. The new ordinary shares to be issued upon the exercise of the Warrants shall rank equally in all respects with the existing CSCENIC ordinary shares; and
- iv. The Warrants were listed and quoted on the Main Market of Bursa Securities on 12 August 2021.

Following the completion of the Bonus Issue on 12 May 2023, the exercise price and the number of outstanding Warrants 2021/2026 had been adjusted in accordance with the provisions of the Deed Poll ("Adjustments") as follows: -

- i. Exercise price of the Outstanding Warrants 2021/2026 = RM0.41 sen;
- ii. Number of additional Warrants 2021/2026 arising from the Adjustments = 54,319,410 Warrants 2021/2026.

The additional Warrants 2021/2026 issued arising from the Adjustments and Warrants exercised by registered warrant holders to new ordinary shares are as follows: -

Month	No. of Warrants 2021/2026 issued arising from the adjustments	No. of Warrants 2021/2026 exercised	Balance Warrants 2021/2026 outstanding
Balance b/f	-	-	114,042,540
January	-	206,700	113,835,840
February	-	77,000	113,758,840
March	-	1,066,000	112,692,840
April	-	3,639,200	109,053,640
May	54,319,410	414,800	162,958,250
June	-	-	162,958,250
July	-	-	162,958,250
August	-	87,000	162,871,250
September	-	-	162,871,250
October	-	-	162,871,250
November	-	-	162,871,250
December	-	-	162,871,250



### PART A: EXPLANATORY NOTES AS PER MFRS 134 (CONTINUED)

## A6. Issuances, Repurchases and Repayment of Debt and Equity Securities (Continued)

As at 31 December 2023, the total number of issued shares of the Company was 379,377,568 ordinary shares.

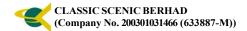
#### A7. Dividends Paid

During the current quarter under review, there were no dividends paid by the Company.

#### A8. Segmental Reporting

The Group is principally engaged in the manufacture and sales of wooden picture frame and moulding 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 year ended 31 December 2023 is as follows:-

	Wooden Picture Frame and Mouldings RM'000	Other Timber Products RM'000	Property Holding RM'000	Total Current Year To Date RM'000	Other Non- reportable Segments RM'000	Elimination of Inter- segment Transactions or Balances RM'000	Consolidated Total RM'000
Segment Profit/(Loss)	(293)	(80)	3,203	2,830	7,141	(8,851)	1,120
Included in the measure of segment profit/(loss) are: Revenue from external							
customers	43,962	526	-	44,488	47	_	44,535
Inter-segment revenue	· -	35	4,945	4,980	74	(5,054)	· -
Write-down of inventories	228	-		228	-	-	228
Impairment of intangible							
assets	-	-	-	-	28	-	28
Depreciation	2,360	160	519	3,039	10	-	3,049
Finance Income	339	19	55	413	121	-	534
Finance costs	8	-	-	8	-	-	8
Tax Expense	(9)	(74)	1,012	929	(1)	(50)	878
Segment Assets	67,589	1,845	43,793	113,227	73,410	(22,638)	163,999
Included in the measure of segment assets are: Additions to non-current assets other than financial							
instruments and deferred tax	2,183	-	8	2,191	480	(133)	2,538



#### PART A: EXPLANATORY NOTES AS PER MFRS 134 (CONTINUED)

#### 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 other than the following:

(1) On 12 January 2024, the Company's wholly-owned subsidiary, Craving Hub Sdn. Bhd. has issued 99 fully paid up ordinary shares at an issue price of RM1.00 per share and 51% of the newly issued shares were subscribed by the Company's wholly-owned subsidiary, Lim Ket Leng Marketing Sdn. Bhd.

Subsequent to the new issue of shares, Craving Hub Sdn. Bhd. has become a 51% owned subsidiary of the Company.

- (2) Bursa Securities had vide its letter dated 18 January 2024, resolved to approve the following:
  - (i) proposed private placement of up to 113,813,000 new ordinary shares in Cscenic ("Shares" or "Cscenic Shares"), representing up to 30.0% of the total number of issued Shares ("Proposed 30% Private Placement"); and
  - (ii) proposed acquisition by Cscenic of 10,563,167 ordinary shares in Redina Malaysia Sdn Bhd ("Redina") from Perdanis Distribution (M) Sdn Bhd representing 51.0% equity interest in Redina for a total purchase consideration of RM35,700,000 to be satisfied wholly by way of cash ("Proposed Acquisition");and
  - (iii) proposed diversification of Cscenic's existing businesses to include in the retail business of apparel and food and beverages ("Proposed Diversification"); and
  - (iv) proposed change of the Company's name from "Classic Scenic Berhad" to "Hextar Retail Berhad" ("Proposed Change of Name").

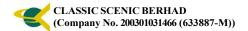
(collectively, the "Proposals")

The above approval granted by Bursa Securities is subject to the conditions which were stated in the Company's announcement dated 19 January 2024.

On 5 February 2024, Company issued a Notice of Extraordinary General Meeting (EGM) to be held on 27 February 2024 to seek approval from shareholders on the abovementioned Proposals and a circular relating to the Proposals has been issued on 6 February 2024.

On 27 February 2024, the Company announced the outcome of EGM of which the Proposals were duly passed by way of poll at the Company's fully virtual EGM held on 27 February 2024.

- (3) On 23 January 2024, the Company's wholly-owned subsidiary, Lim Ket Leng Marketing Sdn. Bhd had incorporated 10 wholly-owned subsidiaries in Malaysia with an issued and paid up share capital of RM1 respectively for the purpose of expanding into the Food and Beverage business as follows:-
  - (i) Spice Haven Delights Sdn. Bhd.
  - (ii) Flavour Crafters Hub Sdn. Bhd.
  - (iii) Tasty Trails Culinary Sdn. Bhd.
  - (iv) Gastranomic Gems Sdn. Bhd.
  - (v) Epicurean Crafters Sdn. Bhd.
  - (vi) Palate Symphony Sdn. Bhd.
  - (vii) VCR Café Sdn. Bhd.
  - (viii) Blissful Fusion Sdn. Bhd.
  - (ix) Taste Perspectives Sdn. Bhd.
  - (x) Essence Gastranomy Sdn. Bhd.



#### PART A: EXPLANATORY NOTES AS PER MFRS 134 (CONTINUED)

#### A9. Subsequent Events (Continued)

- (4) On 31 January 2024, the Company's wholly-owned subsidiary, Puresip Sdn. Bhd. has issued 149,999 fully paid up ordinary shares at an issue price of RM1.00 per share and 51% of the newly issued shares were subscribed by the Company's wholly-owned subsidiary, Lim Ket Leng Marketing Sdn. Bhd.
  - Subsequent to the new issue of shares, Puresip Sdn. Bhd. has become a 51% owned subsidiary of the Company.
- (5) On 7 February 2024, the Company's wholly-owned subsidiary, Yummy Sip Sdn. Bhd. has issued 149,999 fully paid up ordinary shares at an issue price of RM1.00 per share and 51% of the newly issued shares were subscribed by the Company's wholly-owned subsidiary, Lim Ket Leng Marketing Sdn. Bhd.

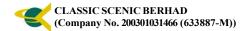
Subsequent to the new issue of shares, Yummy Sip Sdn. Bhd. has become a 51% owned subsidiary of the Company.

#### A10. Change in The Composition of The Group

Changes in the composition of the Group for the quarter ended 31 December 2023 are as follows:-

- (1) On 20 November 2023, the Company's wholly-owned subsidiary, Lim Ket Leng Marketing Sdn. Bhd had incorporated 10 wholly-owned subsidiaries in Malaysia with an issued and paid up share capital of RM1, respectively for the purpose of expanding into the Food and Beverage business as follows:-
  - (i) Flavora Sdn. Bhd.
  - (ii) Puresip Sdn. Bhd.
  - (iii) Fresh Palate Sdn. Bhd.
  - (iv) Tastewave Sdn. Bhd.
  - (v) Mingle Hub Sdn. Bhd.
  - (vi) Delish Hub Sdn. Bhd.
  - (vii) Tailang Delight Sdn. Bhd.
  - (viii) Yummy Sip Sdn. Bhd.
  - (ix) Craving Hub Sdn. Bhd.
  - (x) Fabulous Bites Sdn. Bhd.
- (2) On 1 December 2023, the Company's wholly-owned subsidiary, Lim Ket Leng Marketing Sdn. Bhd has subscribed for 6,000 ordinary shares of Tai Lang Pte. Ltd. ('TLPL') representing 60% of the equity interest in TLPL. TLPL is incorporated in Singapore and is principally engaged in restaurant business. However, it has yet to commence operations.
- (3) On 27 December 2023, the Company's wholly-owned subsidiary, Delish Hub Sdn. Bhd. has issued 99 fully paid up ordinary shares at an issue price of RM1.00 per share and 51% of the newly issued shares were subscribed by the Company's wholly-owned subsidiary, Lim Ket Leng Marketing Sdn. Bhd.

Subsequent to the new issue of shares, Delish Hub Sdn. Bhd. has become a 51% owned subsidiary of the Company.



## PART A: EXPLANATORY NOTES AS PER MFRS 134 (CONTINUED)

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

As at 31.12.2023
Capital expenditure commitments RM'000
Property, plant and equipment approved and contracted for 188



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

#### **B1. Review of Performance**

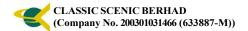
Table 1: Financial review for current quarter and financial year to date

		al Period uarter			Cumulati	ve Period		
	Current Year Quarter Ended 31.12.2023	Preceding Year Corresponding Quarter Ended 31.12.2022			Changes		Current Year To Date Ended 31.12.2023	Preceding Year Corresponding Year To Date Ended 31.12.2022
	RM'million	RM'million	RM'million	%	RM'million	RM'million	RM'million	%
Revenue	9.9	17.7	(7.8)	-44.1%	44.5	78.9	(34.4)	-43.6%
Gross profit	1.5	7.0	(5.5)	-78.6%	10.9	32.0	(21.1)	-65.9%
(Loss)/Profit before tax	(0.9)	5.1	(6.0)	-117.6%	2.0	22.7	(20.7)	-91.2%
(Loss)/Profit after tax	(0.9)	4.2	(5.1)	-121.4%	1.1	19.0	(17.9)	-94.2%
(Loss)/Profit attributable to Owners of the Company	(0.9)	4.2	(5.1)	-121.4%	1.1	19.0	(17.9)	-94.2%

The Group registered a revenue of RM9.9 million for the current quarter ended 31 December 2023, a decrease of RM7.8 million or -44.1% as compared to RM17.7 million in the preceding year corresponding quarter ended 31 December 2022 mainly attributable to lower export volume of wooden picture frame moulding amid the weak customer demand in USA (the Group's main market). The Group recorded a loss before tax of RM0.9 million, a decrease of RM6.0 million or -117.6% as compared to a profit before tax of RM5.1 million in the preceding year corresponding quarter ended 31 December 2022 mainly due to lower export revenue, higher input costs and higher professional fees incurred for ongoing corporate exercise.

For the financial year ended 31 December 2023, the Group's revenue stood at RM44.5 million, a decrease of RM34.4 million or -43.6% compared to the preceding year of RM78.9 million mainly due to lower export volume of wooden picture frame moulding. The gross profit margin contracted to 24.4% from 41.0%, in the previous financial year, as a result of higher input costs and the lower export volume of wooden picture frame moulding leading to a loss of economies of scale. The Group recorded a profit before tax of RM2.0 million, down by RM20.7 million or -91.2% as compared to RM22.7 million in the preceding year corresponding period ended 31 December 2022 mainly due to lower export revenue, higher input costs, higher unrealised loss on foreign currency forward contracts and higher professional fees incurred for the corporate exercises.

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.



# PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONTINUED)

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

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

	Current Year Quarter Ended 31.12.2023	Immediate Preceding Quarter 30.09.2023	Chan	ges
	RM'million	RM'million	RM'million	%
Revenue	9.9	10.0	(0.1)	-1.0%
Gross profit	1.5	2.3	(0.8)	-34.8%
(Loss)/Profit before tax	(0.9)	0.5	(1.4)	-280.0%
(Loss)/Profit after tax	(0.9)	0.3	(1.2)	-400.0%
(Loss)/Profit attributable to Owners of the Company	(0.9)	0.3	(1.2)	-400.0%

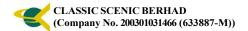
The Group recorded revenue of RM9.9 million for the current quarter ended 31 December 2023, a decrease of RM0.1 million or -1.0% compared to RM10.0 million in the immediate preceding quarter mainly due to lower export volume of wooden picture frame moulding. The Group recorded a loss before tax for the current quarter of RM0.9 million, a decrease of RM1.4 million or -280% as compared to RM0.5 million in the immediate preceding quarter mainly attributable to higher professional fees incurred for ongoing corporate exercise and pre-operating expenses incurred for the newly incorporated food and beverage subsidiaries.

#### **B3. Current Year Prospects**

The recently released USA inflation data reveals signs of a broad slowdown, raising hopes that the Fed is concluding its rate hikes, which could positively bode the recovery of consumer-spending-driven economy. However, the ongoing wars in Gaza and Ukraine, coupled with the geographical tensions, raise concerns about economic uncertainties and present challenges for the Group. To navigate these uncertainties and challenges, our Group will actively pursue various cost control measures, strive to improve production efficiency, and explore new market opportunities.

As such, the Group's Proposed Acquisition and Diversification into new business segment as stated in Proposals would help to mitigate the Group's dependency on its sole business in the export of wooden picture frame moulding while allowing the Group to enhance and improve its income sustainability.

Premised on the above, the Proposed Acquisition and Diversification is expected to contribute positively to the future earnings and cash flows of the enlarged Group following the completion of the Proposed Acquisition and Diversification.



## PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONTINUED)

#### **B4. Profit Forecast and Estimates Announced or Disclosed**

Not applicable as there were no profit forecast or estimates that have been announced or disclosed.

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

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

#### **B6.** Taxation

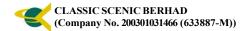
		Preceding Year		
	Current Year Quarter 31.12.2023 RM'000	Corresponding Quarter 31.12.2022 RM'000	Current Year To Date 31.12.2023 RM'000	Corresponding Period 31.12.2022 RM'000
Current tax expense				
- current	192	847	971	3,488
- prior year	-	(294)	98	(882)
Deferred tax expense				
Origination and reversal of temporary difference	s			
- current	(150)	98	(167)	648
- prior year	-	308	(24)	493
	42	959	878	3,747

The Group recorded an income tax expense in the quarter under review despite the losses incurred due to non-deductible expenses. The effective tax rate for the financial year to date was 44% which is higher than the statutory rate of 24% mainly due to non-deductible expenses and under provision of current tax expense in the prior financial year.

## **B7. Status of Corporate Proposal**

The Company had on 17 February 2023 announced that the Company proposed to undertake the following:-

- proposed bonus issue of up to 361,499,220 new ordinary shares in CScenic on the basis of 1 Bonus Share for every 1 existing CScenic Share held by the shareholders whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later ("Proposed Bonus Issue of Shares"); and
- ii. proposed share buy-back of up to 10% of the issued CScenic Shares through Bursa Malaysia Securities Berhad ("Bursa Securities") in accordance with Section 127(1) of the Companies Act 2016 ("Proposed Share Buy-Back").



## PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONTINUED)

#### B7. Status of Corporate Proposal (Continued)

On 17 March 2023, the Company announced that the Company aborted the Proposed Bonus Issue of Shares which was announced on 17 February 2023. The Company was not able to submit the listing application for the Proposed Bonus Issue of Shares to Bursa Securities as the Company would not comply with paragraph 6.30(1A) of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") as a result of the decline in the Company's share price. Nevertheless, the Company still intended to proceed with the Proposed Share Buy-Back.

The Company also announced its revised proposals on 17 March 2023 as follows:-

- proposed bonus issue of up to 180,749,610 new ordinary shares in CScenic on the basis of 1
  Bonus Share for every 2 existing CScenic Shares held by the shareholders whose names
  appear in the Record of Depositors of the Company on an entitlement date to be determined
  and announced later; and
- ii. proposed share buy-back of up to 10% of the issued CScenic Shares through Bursa Securities in accordance with Section 127(1) of the Companies Act 2016.

Bursa Securities had vide its letter dated 30 March 2023, resolved to approve the following:-

- i. listing and quotation of up to 180,749,610 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares;
- ii. listing and quotation of up to 56,866,670 additional Warrants A ("Additional Warrants-A") to be issued pursuant to the adjustment arising from the Proposed Bonus Issue of Shares; and
- ii. listing and quotation of up to 56,866,670 new shares to be issued arising from the exercise of Additional Warrants-A.

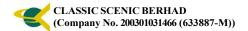
The above approval granted by Bursa Securities is subject to the conditions which were stated in the Company's announcement dated 30 March 2023.

The Bonus Issue of Shares has been completed on 12 May 2023 following the listing and quotation of 126,430,188 Bonus Shares and 54,319,410 additional Warrants on the Main Market of Bursa Securities. Please refer to our announcements to Bursa Securities for further details.

The Company had on 12 December 2023 announced that the Company proposed to undertake the following:-

- proposed private placement of up to 113,813,000 new ordinary shares in Cscenic ("Shares" or "Cscenic Shares"), representing up to 30.0% of the total number of issued Shares ("Proposed 30% Private Placement"); and
- ii. proposed acquisition by Cscenic of 10,563,167 ordinary shares in Redina Malaysia Sdn Bhd ("Redina") from Perdanis Distribution (M) Sdn Bhd representing 51.0% equity interest in Redina for a total purchase consideration of RM35,700,000 to be satisfied wholly by way of cash ("Proposed Acquisition");and
- iii. proposed diversification of Cscenic's existing businesses to include in the retail business of apparel and food and beverages ("Proposed Diversification"); and
- iv. proposed change of the Company's name from "Classic Scenic Berhad" to "Hextar Retail Berhad" ("Proposed Change of Name").

(collectively, the "Proposals")



## PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONTINUED)

#### **B7. Status of Corporate Proposal (Continued)**

On 15 December 2023, additional listing application for the Proposed 30% Private Placement has been submitted to Bursa Securities by M&A Securities on behalf of the Board of Directors of the Company.

Bursa Securities had vide its letter dated 18 January 2024, resolved to approve the the listing and quotation of up to 113,813,000 Placement Shares to be issued pursuant to the Proposed 30% Private Placement.

The above approval granted by Bursa Securities is subject to the conditions which were stated in the Company's announcement dated 19 January 2024.

On 5 February 2024, Company issued a Notice of Extraordinary General Meeting (EGM) to be held on 27 February 2024 to seek approval from shareholders on the abovementioned Proposals and a circular relating to the Proposals has been issued on 6 February 2024.

On 27 February 2024, the Company announced the outcome of EGM of which the Proposals were duly passed by way of poll at the Company's fully virtual EGM held on 27 February 2024.

#### **B8.** Group Borrowings and Debt Securities

As at 31 December 2023, the Group does not have any bank borrowings.

#### **B9. Derivative Financial Instruments**

As at 31 December 2023, the Group has the following outstanding derivatives financial instruments:-

Currency Forward Contracts	Principal or		
	Notional	Fair value	
	Amount	Assets	Liabilities
	RM'000	RM'000	RM'000
- Less than 1 year	10,141	121	-

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 RM121,000 has been recognised in the financial statements.

## PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONTINUED)

#### **B10. Material Litigation**

Since the last Audited Financial Statements for the year ended 31 December 2022, 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. (Loss)/Earnings Per Share

	Current Year Quarter 31.12.2023	Preceding Year Corresponding Quarter 31.12.2022 Restated		Preceding Year Corresponding Year 31.12.2022 Restated
Basic (loss)/earnings per share Net (loss)/profit attributable to equity holders (RM'000)	(842)	4,154	1,164	18,994
Weighted average number of ordinary shares (basic) ('000)*	379,378	368,585	377,508	363,110
Basic (Loss)/Earnings Per Share (sen)	(0.22)	1.13	0.31	5.23
Diluted (loss)/earnings per share Net (loss)/profit attributable to owners of the Company (RM'000)	(842)	4,154	1,164	18,994
Weighted average number of ordinary shares (basic) ('000)* Effect of warrant issue ** Weighted average number of ordinary shares (diluted) ('000)	379,378 40,684 420,062	368,585 48,647 417,231	377,508 40,684 418,192	363,110 48,647 411,756
Diluted (Loss)/Earnings Per Share (sen)	(0.22)	1.00	0.28	4.61

The average market value of the Company's shares for purpose of calculating the dilutive effect of warrants was based on quoted market prices for the period during which the warrants were outstanding.

<sup>\*</sup> Adjusted for the effect of bonus issue completed on 12 May 2023.

<sup>\*\*</sup> Adjusted for the effect of additional warrants arising pursuant to the bonus issue completed on 12 May 2023.

<sup>\*</sup> The calculation of diluted loss per share for the current quarter ended 31 December 2023 did not take into account the effect of warrant issue of the Company as it had an anti-dilutive effect on the basic loss per share. Therefore, the diluted loss per share is the same as basic loss per share.

# PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONTINUED)

## B13. (Loss)/Profit for the Period/Year

(Loss)/Profit and total comprehensive income for the period is arrived at after	Current Year Quarter 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000	Current Year To Date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
crediting/(charging):				
Interest income	152	97	534	191
Finance costs	(8)	-	(8)	-
Depreciation of:				
- property, plant and equipment	(782)	(680)	(2,975)	(2,589)
- right-of-use assets	(74)	-	(74)	-
Net impairment loss on intangible assets	(28)	-	(28)	-
Net gains/(losses) on foreign exchange:				
- unrealised	796	299	(6)	164
- realised	(731)	(446)	(872)	(641)
Property plant and equipment written off	(1)	-	(1)	(25)
Write-down of inventories	(228)	-	(228)	-
(Loss)/Gain on disposal of property,				
plant and equipment	(40)	8	69	(134)

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