



## **CC INTERNATIONAL BERHAD**

(Registration No: 201501043532 (1168853-K))

(Incorporated in Malaysia)

### **UNAUDITED FINANCIAL STATEMENTS FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2022**

#### **CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)**

**THE LEAP MARKET OF BURSA SECURITIES HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE OTHER MARKETS OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY CC INTERNATIONAL BERHAD (“CCIB” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE COMPANY AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION AND IF APPROPRIATE, CONSULTATION WITH THEIR STOCKBROKER, MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	<b>Unaudited 30.06.2022 RM</b>	<b>Audited 31.12.2021 RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,147,514	1,127,021
Right-of-use asset	1,313,205	1,429,059
Goodwill	23,086,068	23,086,068
Intangible assets	1,976,175	1,623,695
	<u>27,522,962</u>	<u>27,265,843</u>
<b>Current assets</b>		
Other investment	5,098,731	1,814,101
Trade and other receivables	9,382,286	7,210,902
Current tax assets	-	144,694
Cash and bank balances	15,165,349	11,331,827
	<u>29,646,366</u>	<u>20,501,524</u>
<b>TOTAL ASSETS</b>	<u>57,169,328</u>	<u>47,767,367</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	46,021,697	35,959,697
Retained profits	5,673,090	2,314,454
	<u>51,694,787</u>	<u>38,274,151</u>
Non-controlling interest	100,541	101,822
<b>TOTAL EQUITIES</b>	<u>51,795,328</u>	<u>38,375,973</u>
<b>Non-current liabilities</b>		
Lease liabilities	581,893	248,573
Deferred tax liabilities	81,975	81,975
	<u>663,868</u>	<u>330,548</u>
<b>Current liabilities</b>		
Other payables and accrual	3,451,210	7,546,086
Lease liabilities	770,835	1,218,250
Current tax liabilities	488,087	296,510
	<u>4,710,132</u>	<u>9,060,846</u>
<b>TOTAL LIABILITIES</b>	<u>5,374,000</u>	<u>9,391,394</u>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u>57,169,328</u>	<u>47,767,367</u>

*The accompanying notes form an integral part of these financial statements.*

**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	<b>Unaudited (6 Months) 30.06.2022 RM</b>	<b>Unaudited (6 Months) 30.06.2021 RM</b>
Revenue	13,760,006	12,485,585
Cost of services	(1,146,282)	(1,264,991)
Staff and management cost	(6,264,475)	(5,721,714)
Other operating income	419,600	187,960
Other operating expenses	(280,307)	(15,796)
Operating expenses	(1,397,218)	(1,358,740)
Depreciation and amortisation	<u>(853,041)</u>	<u>(624,450)</u>
Profit from operations	4,238,283	3,687,854
Finance cost	<u>(41,589)</u>	<u>(32,573)</u>
Profit before tax	4,196,694	3,655,281
Tax expense	<u>(839,339)</u>	<u>(638,965)</u>
Profit for the financial period, representing total comprehensive income for the financial period	<u>3,357,355</u>	<u>3,016,316</u>
<b>Total comprehensive income attributable to</b>		
Owners of the Company	3,358,636	3,016,212
Non-controlling interest	<u>(1,281)</u>	<u>104</u>
	<u>3,357,355</u>	<u>3,016,316</u>

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	----- Attributable to owners of the Company -----			Non- controlling	Total equity
	Share capital RM	Retained profits RM	Total RM	interest RM	RM
1 January 2021	35,959,697	2,810,854	38,770,551	103,169	38,873,720
Dividend paid	-	(39,904)	(39,904)	-	(39,904)
Total comprehensive income for the financial period	-	3,016,315	3,016,315	104	3,016,419
At 30 June 2021	<u>35,959,697</u>	<u>5,787,265</u>	<u>41,746,962</u>	<u>103,273</u>	<u>41,850,235</u>
1 January 2022	35,959,697	2,314,454	38,274,151	101,822	38,375,973
Issuance of shares	10,062,000	-	10,062,000	-	10,062,000
Total comprehensive income for the financial period	-	3,358,636	3,358,636	(1,281)	3,357,355
At 30 June 2022	<u>46,021,697</u>	<u>5,673,090</u>	<u>51,694,787</u>	<u>100,541</u>	<u>51,795,328</u>

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**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	<b>Unaudited (6 Months) 30.06.2022 RM</b>	<b>Unaudited (6 Months) 30.06.2021 RM</b>
<b>Cash flows from operating activities</b>		
Profit before tax	4,196,694	3,655,281
Adjustments for :		
Amortisation of intangible assets	222,818	130,958
Depreciation of property, plant and equipments	192,233	157,096
Amortisation of right-of-use assets	437,991	336,396
Bad debt written off	946	-
Gain from disposal of other investments	(2,129)	-
Interest expenses	41,589	32,573
Interest income	(8,059)	(4,126)
<b>Operating profit before working capital changes</b>	<b>5,082,083</b>	<b>4,308,178</b>
Changes in:		
Trade receivables and other receivable	(2,243,474)	(1,054,337)
Other payable and accruals	(4,093,967)	(2,434,140)
<b>Cash (used in)/ generated from operations</b>	<b>(1,255,358)</b>	<b>819,701</b>
Tax paid	(503,068)	(163,338)
Interest received	8,059	4,126
<b>Net cash (used in)/ from operating activities</b>	<b>(1,750,367)</b>	<b>660,489</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(212,727)	(30,194)
Proceeds from disposal of other investment	75,267	-
Acquisition of other investment	(3,357,768)	(964,013)
Acquisition of intangible assets	(575,298)	(219,603)
<b>Net cash used in investing activities</b>	<b>(4,070,526)</b>	<b>(1,213,810)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	-	(39,904)
Interest paid	(41,589)	(32,573)
Financing from ultimate holding company	83,502	2,743
Repayment to related parties	(48,224)	(46,443)
Proceeds from issuance of shares	10,062,000	-
Repayment from/ (to) related companies	34,957	(53,593)
Repayment of lease liability	(436,231)	(326,432)
<b>Net cash from/ (used in) financing activities</b>	<b>9,654,415</b>	<b>(496,202)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>3,833,522</b>	<b>(1,049,523)</b>
Cash and cash equivalents at beginning of financial period	11,331,827	8,577,084
<b>Cash and cash equivalents at end of financial period</b>	<b>15,165,349</b>	<b>7,527,561</b>

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## CC INTERNATIONAL BERHAD

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### A. EXPLANATORY NOTES TO THE INTERIM FINANCIALS FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2022

#### A1. Basis of preparation

The unaudited interim financial statements of the Company and its subsidiaries (collectively, the “Group”) for the 6-month financial period ended (“FPE”) 30 June 2022 have been prepared in accordance with the Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting.

This is the interim financial report on the consolidated results for the FPE 30 June 2022 announced by the Company in compliance with the LEAP Market Listing Requirements of Bursa Securities (“Listing Requirements”). The interim financial report should be read in conjunction with the Audited Consolidated Financial Statements of the Company for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

#### A2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest Audited Consolidated Financial Statements of the Company, except for the adoption of the following new and revised MFRSs, Amendments to MFRS and IC interpretations.

- a) New and revised MFRSs, Amendments to MFRSs and IC interpretation adopted during the financial period.

<u>MFRSs</u>	<u>Effective date</u>
Amendments to MFRS 3: Business Combinations	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and interpretations have no impact on the financial statements of the Group upon their initial application.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIALS FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2022 (Cont'd)****A2. Changes in Accounting Policies (Cont'd)**

- b) The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not early adopted by the Group:

<u>MFRSs/ Amendments to MFRSs</u>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112: Income Taxes	1 January 2023
Amendments to MFRS 10: Consolidated Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
Amendments to MFRS 128: Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group will adopt the above new MFRSs and amendments when they become effective in the respective financial periods. The adoption of these standards and amendments that have been issued but are not yet effective are not expected to have a material impact to the financial statements of the Group.

**A3. Seasonal or cyclical factors**

The Group typically experience higher demand for its tax and corporate secretarial services during the second and third quarters of the year as many of its clients' tax and statutory filings are due for submission to the relevant authorities during that period. Apart from that, the Group does not experience seasonality in respect of other professional services.

**A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period under review.

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**A. EXPLANATORY NOTES TO THE INTERIM FINANCIALS FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2022 (Cont'd)**

**A5. Material changes in accounting estimates**

There were no material changes in accounting estimates during the current financial period under review.

**A6. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current financial period under review.

**A7. Debt and equity securities**

On 24 June 2022, in conjunction with its listing on the LEAP Market of Bursa Securities, the Company had undertaken a placement of 38.7 million new ordinary shares in CCIB (“CCIB Shares”) at an issue price of RM0.26 per CCIB Share to selected sophisticated investors, raising total gross proceeds of RM10.1 million.

Save as disclosed above, there are no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial period under review.

**A8. Acquisition and disposals of property, plant and equipment**

There were no material acquisition and disposal of property, plant and equipment during the current financial period under review.

**A9. Interest bearing loans and borrowings**

The Group does not have any bank borrowings as at 30 June 2022.

**A10. Capital commitments**

The Group does not have any capital commitments as at 30 June 2022.



**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

**B1. Review of Performance**

Set out below is an analysis of the Group’s revenue and profit after tax:

(i) Analysis of revenue

	<b>Unaudited (6 Months) 30.06.2022 RM</b>	<b>Unaudited (6 Months) 30.06.2021 RM</b>
GBS - Accounting and business service outsourcing	3,615,008	3,435,201
Taxation	4,563,561	3,371,246
Corporate secretarial	3,756,076	3,338,100
Business consultancy	987,830	1,073,587
Wealth management	837,531	1,267,451
Total	<u>13,760,006</u>	<u>12,485,585</u>

During the FPE 30 June 2022, the Group recorded an increase in revenue by RM1.3 million or 10.2% as compared to the FPE 30 June 2021 which was mainly due to higher revenue contribution from GBS – Accounting and business service outsourcing, taxation and corporate secretarial segments, as a result of increase in new clients. However, the Group recorded a decrease in revenue from wealth management segment, which was mainly due to the absence of ad hoc consultancy for 4 clients in the FPE 30 June 2021 which contributed RM0.5 million.

(ii) Analysis of profit after tax

During the FPE 30 June 2022, the Group recorded an increase in profit before tax by RM0.5 million or 14.8% as compared to the FPE 30 June 2021 which was mainly due to higher revenue recorded during the FPE 30 June 2022. In view of the higher profit after tax, the Group recorded an increase in tax expense by RM0.2 million or 31.4% as compared to the FPE 30 June 2021.

Correspondingly, the Group recorded a profit after tax of RM3.4 million, reflecting an increase of RM0.3 million or 11.3% as compared to the FPE 30 June 2021.

**B2. Commentary on prospects**

The Board of Directors of CCIB (“Board”) expects that the Group’s outlook would continue to remain positive in view that its GBS – Accounting and business service outsourcing, taxation and corporate secretarial services are essential services to its clients. As such, given the continuing need of its clients to comply with the relevant administrative and statutory regulations, the Board anticipates that there will be continuing demand for such professional services.

Presently, the Group has a total of 13 offices in Malaysia, located in Kuala Lumpur, Selangor, Penang, Negari Sembilan, Johor, Malacca, Perak, Terengganu and Labuan. As part of its long-term growth strategies, the Group intends to further expand its businesses organically and through mergers and/or acquisitions with other professional service providers.

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**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS  
(Cond't)****B2. Commentary on prospects (Cont'd)**

As at the date of this report, the Group is in the midst of setting up a new branch office in Sabah, which is expected to be opened by the 4<sup>th</sup> quarter of 2022. In addition, on 1 July 2022, the Company had entered into an agreement with Damien Shee Wong and Jun Shern Ng for the acquisition of the business of DWATS Practice Trust and had since run the business together with Damien Shee Wong. The newly acquired business, which is currently operated together with Damien Shee Wong under a 90% owned subsidiary known as DWATS Pty Ltd, is expected to further improve the Group's profitability and allows the Group to begin offering its services in the Australian market.

**B3. Variance of actual profit from profit forecast and profit guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

**B4. Status of corporate exercises**

On 1 July 2022, the Company announced that it had on even date entered into an agreement with Damien Shee Wong and Jun Shern Ng for the proposed acquisition of the business of DWATS Practice Trust. Although the completion of the acquisition is subject to the balance purchase price of AUD225,000 on or before 31 July 2023, the Group has taken over the business of DWATS Practice Trust effective the same day in accordance with the said agreement.

Save as disclosed above, there are no other corporate proposals announced but pending completion as at the date of this report.

**B5. Related party transactions**

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances as disclosed elsewhere in the financial statements, the significant related party transactions of the entities during the report periods as follows:

	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM</b>	<b>RM</b>
<b><u>Transaction with directors and company in which certain directors have substantial financial interests</u></b>		
Sale	18,209	12,888
Rental of premise (income)	38,400	25,600
Rental of premise	(49,200)	(30,187)
Outsourcing income	<u>18,500</u>	<u>12,000</u>

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**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS  
(Cond't)**

**B6. Income tax expenses**

	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM</b>	<b>RM</b>
<i>Income tax</i>		
Current tax	<u>839,339</u>	<u>638,965</u>

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**C. OTHER INFORMATION****C1. Dividend**

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board has not recommended any interim dividend for the current FPE 30 June 2022.

**C2. Material litigations and contingent liabilities**

There are no material litigations pending as at the date of this report.

**C3. Contingent assets and liabilities**

There are no contingent assets and liabilities as at the date of this report.

**C4. Earnings Per Share**

	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM</b>	<b>RM</b>
Profit attributable to owners of the Company	<u>3,358,636</u>	<u>3,016,211</u>
Weighted average number of ordinary shares	<u>348,809,625</u>	<u>347,537,296</u>
Basic earnings per ordinary share (sen)	<u>0.96</u>	<u>0.87</u>

**C5. Subsequent Events**

There were no material events subsequent to the end of the current FPE 30 June 2022 that have not been disclosed in this report.

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**C. OTHER INFORMATION (Cond't)**

**C6. Utilisation of Proceeds**

As at 15 August 2022, the status of utilisation of the gross proceeds arising from the excluded issue amounting to RM10.1 million are as follows:

<b>Purpose</b>	<b>Proposed Utilisation</b>	<b>Actual Utilisation</b>	<b>Balance</b>	<b>Estimated timeframe for utilisation upon listing</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
(i) Business expansion	6,000	1,602	4,398	Within 24 months
(ii) Information technology	1,000	200	800	Within 24 months
(iii) Working capital	2,062	503	1,559	Within 24 months
(iv) Listing expenses	1,000	1,000	-	Immediate
<b>Total</b>	<b>10,062</b>	<b>3,305</b>	<b>6,757</b>	

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