



CC INTERNATIONAL BERHAD

[Registration No: 201501043532 (1168853-K)]

(Incorporated in Malaysia)

UNAUDITED FINANCIAL STATEMENTS FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 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 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Unaudited as at 31.12.2022 RM	Audited as at 31.12.2021 RM
ASSETS		
Non-current assets		
Property, plant and equipment	1,291,967	1,127,021
Right-of-use asset	1,150,858	1,429,059
Intangible assets	10,175,999	1,623,695
Goodwill on consolidation	<u>25,030,881</u>	<u>23,086,068</u>
	<u>37,649,705</u>	<u>27,265,843</u>
Current assets		
Other investment	5,314,570	1,814,101
Trade and other receivables	8,532,448	7,210,902
Current tax assets	1,227,215	144,694
Cash and bank balances	<u>9,497,026</u>	<u>11,331,827</u>
	<u>24,571,259</u>	<u>20,501,524</u>
TOTAL ASSETS	<u>62,220,964</u>	<u>47,767,367</u>
LIABILITIES		
Non-current liabilities		
Loan and borrowing	4,256,369	-
Deferred tax liabilities	81,975	81,975
Lease liabilities	<u>500,547</u>	<u>248,573</u>
	<u>4,838,891</u>	<u>330,548</u>
Current liabilities		
Trade payables and other payables	5,043,856	7,546,086
Lease liabilities	749,789	1,218,250
Current tax liabilities	<u>383,995</u>	<u>296,510</u>
	<u>6,177,640</u>	<u>9,060,846</u>
TOTAL LIABILITIES	<u>11,016,531</u>	<u>9,391,394</u>
Net current assets	<u>18,393,619</u>	<u>11,440,678</u>

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

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 (Cont'd)

	Unaudited as at 31.12.2022 RM	Audited as at 31.12.2021 RM
EQUITY		
Share capital	46,021,697	35,959,697
Retained profits	<u>3,521,066</u>	<u>2,314,454</u>
	49,542,763	38,274,151
Non-controlling interest	<u>1,661,670</u>	<u>101,822</u>
TOTAL EQUITIES	<u><u>51,204,433</u></u>	<u><u>38,375,973</u></u>

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**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2022**

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited 31.12.2022 RM	Unaudited 31.12.2021 RM	Unaudited 31.12.2022 RM	Audited 31.12.2021 RM
Revenue	13,784,348	12,016,780	27,544,354	24,502,365
Cost of services	(1,481,511)	(1,201,890)	(2,627,793)	(2,466,881)
Staff and management cost	(8,087,655)	(6,528,487)	(14,352,130)	(12,250,201)
Other operating income	323,224	901,830	742,824	1,089,790
Other operating expenses	(578,382)	(224,115)	(858,689)	(239,911)
Operating expenses	(2,354,187)	(1,486,369)	(3,751,405)	(2,845,109)
Depreciation and amortisation	(814,503)	(835,179)	(1,667,544)	(1,459,629)
Profit from operations	791,334	2,642,570	5,029,617	6,330,424
Finance cost	(62,882)	(64,940)	(104,471)	(97,513)
Profit before tax	728,452	2,577,630	4,925,146	6,232,911
Income tax expense	(344,042)	(273,719)	(1,183,381)	(912,684)
Net profit for the financial year	384,410	2,303,911	3,741,765	5,320,227
Other comprehensive income reclassified subsequently or loss: differences of foreign companies	59,443	-	59,443	-
Total comprehensive year	443,853	2,303,911	3,801,208	5,320,227
Total comprehensive Equity holders of the Company	319,895	2,296,411	3,678,531	5,312,623
Non-controlling interest	123,958	7,500	122,677	7,604
	<u>443,853</u>	<u>2,303,911</u>	<u>3,801,208</u>	<u>5,320,227</u>
Profit per ordinary share attributable to the Company (sen)				
- Basic earnings per share	<u>0.08</u>	<u>0.66</u>	<u>1.00</u>	<u>1.53</u>
- Diluted earnings per share	<u>0.08</u>	<u>0.66</u>	<u>1.00</u>	<u>1.53</u>

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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2022**

	----- Attributable to owners of the Company -----			Non- controlling interest RM	Total equity RM
	Share capital RM	Retained profits RM	Total RM		
1 January 2021	35,959,697	2,810,854	38,770,551	103,169	38,873,720
Total comprehensive income for the year	-	5,312,623	5,312,623	7,604	5,320,227
Dividends	-	(5,809,023)	(5,809,023)	-	(5,809,023)
Acquisition of subsidiaries	-	-	-	(8,951)	(8,951)
At 31 December 2021 and 1 January 2022	35,959,697	2,314,454	38,274,151	101,822	38,375,973
Total comprehensive income for the year	-	3,678,531	3,678,531	122,677	3,801,208
Issuance of new share	10,062,000	-	10,062,000	-	10,062,000
Dividends	-	(2,471,919)	(2,471,919)	-	(2,471,919)
Acquisition of subsidiaries	-	-	-	1,437,171	1,437,171
At 31 December 2022	46,021,697	3,521,066	49,542,763	1,661,670	51,204,433

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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2022**

	Unaudited 31.12.2022 RM	Audited 31.12.2021 RM
Cash flows from operating activities		
Profit before tax	4,925,146	6,232,911
Adjustments for :		
Amortisation of intangible assets	381,466	273,482
Allowance for impairment trade receivable	112,699	82,435
Bad debt written off	379,714	158,531
Bad debt recovered	-	(177,284)
Depreciation of property, plant and equipment	423,266	342,774
Depreciation of right-of use of asset	868,012	845,441
Interest expenses	104,471	97,513
Reversal for impairment of trade receivables	(186,187)	(8,263)
Interest income	(28,981)	(19,658)
Operating profit before working capital changes	<u>6,979,606</u>	<u>7,827,882</u>
Changes in:		
Trade receivables and other receivables	(1,368,589)	1,113,000
Trade payable and other payables	<u>(2,787,025)</u>	<u>1,889,381</u>
Cash generated from operations	<u>2,823,992</u>	<u>10,830,263</u>
Tax paid	(1,342,679)	(314,684)
Interest received	<u>28,981</u>	<u>19,658</u>
Net cash from operating activities	<u>1,510,294</u>	<u>10,535,237</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(481,864)	(284,483)
Proceeds from disposal of other investments	3,328,885	6,142,558
Acquisition of other investment	(6,829,354)	(6,138,665)
Acquisition of intangible assets	(442,396)	(325,907)
Acquisition of subsidiary	<u>(5,820,367)</u>	<u>(10,376)</u>
Net cash used in investing activities	<u>(10,245,096)</u>	<u>(616,873)</u>
Cash flows from financing activities		
Dividend paid	(2,471,919)	(5,809,023)
Interest paid	(104,471)	(97,513)
Financing from ultimate holding company	17,369	(379,685)
Financing from shareholder	156,676	-
Proceeds from issuance of shares	10,062,000	-
Repayment to related parties	(74,603)	(51,286)
Repayment from ultimate holding company	85,781	-
Repayment from/ (to) related companies	35,464	(5,970)
Repayment of lease liabilities	<u>(806,296)</u>	<u>(820,144)</u>
Net cash from/ (used in) financing activities	<u>6,900,001</u>	<u>(7,163,621)</u>
Net (decrease)/ increase in cash and cash equivalents	(1,834,801)	2,754,743
Cash and cash equivalents at beginning of financial year	<u>11,331,827</u>	<u>8,577,084</u>
Cash and cash equivalents at end of financial year	<u>9,497,026</u>	<u>11,331,827</u>

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

CC INTERNATIONAL BERHAD

(Company No.: 201501043532 (1168853-K))

(Incorporated in Malaysia)

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2022

A1. Basis of preparation

The unaudited financial statements of CC International Berhad (“**CCIB**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the 2nd half year ended 31 December 2022 have been prepared in accordance with the Malaysian Financial Reporting Standard (“**MFRS**”) and in compliance with the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”).

This interim financial report should be read in conjunction with the Audited Consolidated Financial Statements of CCIB for the financial year ended 31 December 2021.

A2. Significant 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 Audited Consolidated Financial Statements of the Company for the financial year ended 31 December 2021, except for the following new MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group.

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts

Amendments to MFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9 Financial Instruments

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current

or Non-Current

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure 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

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Effective 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.

The adoption of the above MFRSs and amendments to MFRSs are not expected to have any material impact on the financial statements of the Group upon initial application.

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.

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2022 (Cont'd)

A4. Material changes in accounting estimates

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

A5. Changes in the composition of the Group

Save as disclosed below, there were no other material changes in the composition of the Group during the current financial period under review:

- (a) on 1 July 2022, the Company had entered into an agreement with Damien Shee Wong and Jun Shern Ng (“**DWATS Agreement**”) for the acquisition of the business (comprising the clientele and assets) of DWATS Practice Trust for a cash consideration of AUD0.75 million (“**Acquisition of DWATS**”). As at the date of this report, the said acquisition is pending completion. For clarification purposes, pursuant to the DWATS agreement, the Company had on 1 July 2022 taken over the business of DWATS Practice Trust;
- (b) on 3 November 2022, Pro B Centre Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into an agreement with VF Business Advisory Sdn Bhd for the acquisition of the clientele of VF Business Advisory Sdn Bhd for a cash consideration of RM0.13 million. The said acquisition was completed on 1 December 2022;
- (c) on 3 November 2022, Indah Secretarial (KL) Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into an agreement with VF Corporate Services Sdn Bhd for the acquisition of the clientele of VF Corporate Services Sdn Bhd for a cash consideration of RM0.26 million. The said acquisition was completed on 1 December 2022;
- (d) on 3 November 2022, Cheng & Co Taxation Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into an agreement with Vital Fact Advisory PLT for the acquisition of the clientele of Vital Fact Advisory PLT for a cash consideration of RM0.46 million (“**Acquisition of VF Advisory**”). The said acquisition was completed on 1 December 2022; and
- (e) on 22 November 2022, the Company had entered into a share sale agreement with Match Pty Ltd for the acquisition of 58.5% equity interest in M Property Management Pty Ltd for a cash consideration of AUD1.3 million. The said acquisition was completed on 1 December 2022 (“**Acquisition of M Property**”).

A6. Debt and equity securities

The Company did not issue, cancel, repurchase, resell and repay any debt and equity securities during the current financial period under review.

A7. 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.

A8. Capital commitments

There were no material capital commitments as at 31 December 2022.

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

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**B1. Segmental Information****(i) Analysis of revenue**

	Unaudited	Audited
	31.12.2022	31.12.2021
	RM	RM
GBS - Accounting and business service outsourcing	8,164,245	6,451,147
Taxation	8,233,841	7,349,676
Property management	416,980	-
Corporate secretarial	6,572,522	6,557,164
Business consultancy	2,613,349	2,048,600
Wealth management	1,543,417	2,095,778
Total	<u>27,544,354</u>	<u>24,502,365</u>

During the FYE 31 December 2022, the Group recorded an increase in revenue by RM3.0 million or 12.4% as compared to the FYE 31 December 2021. The increase in revenue was mainly due to the following:

- (a) higher revenue contribution from GBS – Accounting and business service outsourcing segment by RM1.7 million, which mainly due to new clientele base acquired from the Acquisition of DWATS;
- (b) higher revenue contribution from taxation segment by RM0.9 million, which mainly due to new clientele base acquired from the Acquisition of VF Advisory;
- (c) higher revenue contribution from business consultancy segment by RM0.6 million, which was mainly due to additional consultancy projects undertaken; and
- (d) new revenue stream from property management segment arising from the Acquisition of M Property.

The decrease in revenue from wealth management segment was mainly due to the lesser ad hoc wealth management consultancy services during the FYE 31 December 2021.

(ii) Analysis of profit after tax

Notwithstanding the increase in revenue, the Group recorded a decrease in profit after tax by RM1.5 million as compared to the FYE 31 December 2021, which was mainly due to higher staff and management cost by RM1.6 million as well as higher operating expenses by RM0.9 million. The increase in staff and management cost was mainly due to higher headcounts arising from the acquisition exercises as set out in note A5 above, whilst the increase in operating expenses was mainly due to higher marketing expenses incurred.

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**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS
(Cont'd)****B2. Related party transaction**

Save as disclosed below, there were no other material related party transactions during the current financial period under review:

	31.12.2022	31.12.2021
	RM	RM
<u>Transaction with holding company:</u>		
Professional fee	2,600	2,820
Outsourcing income	12,000	12,000
<u>Transaction with other related parties:</u>		
Professional fee	36,837	26,585
Outsourcing income	24,000	24,000
Rental income	81,161	76,800
Rental expenses	<u>(98,400)</u>	<u>(98,400)</u>

All related party transactions had been entered into the ordinary course of business and transacted on a negotiated basis.

B3. Income tax expenses

	31.12.2022	31.12.2021
	RM	RM
<i>Income tax</i>		
Current tax	<u>1,183,381</u>	<u>912,684</u>

B4. Commentary on prospects

The Board of Directors of CCIB (“**Board**”) expects the Group’s outlook 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.

In addition, as part of the Group’s expansion plan, the Company had undertaken 5 acquisition exercises during the current financial period under review. As set out in Note B1 above, these acquisition exercises had enabled the Group to generate additional revenue from the new clientele base acquired.

Having considered the above, the Board is optimistic on the Group’s prospect for 2023 moving forward.

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS (Cont'd)**B5. Variance of actual profit from profit forecast and profit guarantee**

The Group has not issued any profit forecast or profit guarantee in any public document.

B6. Status of corporate exercises

Save for the Acquisition of DWATS, there are no other corporate proposal announced but not completed as at the date of this report.

C. OTHER INFORMATION**C1. Status of Utilisation of Proceeds**

As at 1 February 2023, the status of utilisation of the gross proceeds raised from the excluded issue amounting to RM10.1 million are as follows:

<u>Purposes</u>	Proposed Utilisation RM	Actual Utilisation RM	Unutilised Proceeds RM	Estimated Timeframe for Utilisation Upon Listing
Business expansion	6,000,000	6,000,000	-	Within 12 months
Information technology	1,000,000	1,000,000	-	Within 12 months
Working capital	2,062,000	2,062,000	-	Within 12 months
Listing expenses	1,000,000	1,000,000	-	Immediately
	<u>10,062,000</u>	<u>10,062,000</u>	<u>-</u>	

C2. Loans and Borrowings

The Group's total borrowings as at 31 December 2022 are as follows:

	(Unaudited) As at 31.12.2022 RM	(Audited) As at 31.12.2021 RM
<i>Non-current</i>		
Bank loans	<u>4,256,369</u>	<u>-</u>

The borrowings bear interests of between 7.25% to 7.70% per annum and are repayable up to 31 October 2025.

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C. OTHER INFORMATION (Cont'd)

C3. Dividend

Since the end of the previous financial year, the Company had on 3 November 2022 paid an interim single tier dividend of RM0.0064 per share totalling RM2,471,919 in respect of the financial year ended 31 December 2022.

There were no other dividends being proposed by the Board.

C4. Material litigations

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

C5. Subsequent Events

There were no material events subsequent to the end of the current financial period under review that have not been disclosed in this report.

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