



CC INTERNATIONAL BERHAD

(Registration No: 201501043532 (1168853-K))

(Incorporated in Malaysia)

UNAUDITED FINANCIAL STATEMENTS FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2023

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 30 JUNE 2023**

	Unaudited 30.06.2023 RM	Audited 31.12.2022 RM
ASSETS		
Non-current assets		
Property, plant and equipment	1,131,788	1,289,611
Right-of-use asset	773,292	1,152,902
Goodwill	25,088,068	25,088,068
Intangible assets	<u>11,122,777</u>	<u>10,347,816</u>
	<u>38,115,925</u>	<u>37,878,397</u>
Current assets		
Investments	2,264,137	5,314,573
Trade and other receivables	10,668,673	8,820,432
Current tax assets	697,456	711,650
Cash and bank balances	<u>8,023,540</u>	<u>9,478,873</u>
	<u>21,653,806</u>	<u>24,325,528</u>
TOTAL ASSETS	<u>59,769,731</u>	<u>62,203,925</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	46,021,697	46,021,697
Foreign currency translation reserve	(40,135)	(101,715)
Retained profits	<u>1,700,413</u>	<u>3,417,450</u>
	47,681,975	49,337,432
Non-controlling interest	<u>2,141,918</u>	<u>1,818,245</u>
TOTAL EQUITIES	<u>49,823,893</u>	<u>51,155,677</u>
Non-current liabilities		
Loan and borrowing	3,872,075	4,256,370
Deferred tax liabilities	121,380	121,380
Lease liabilities	<u>450,350</u>	<u>482,421</u>
	<u>4,443,805</u>	<u>4,860,171</u>
Current liabilities		
Other payables and accrual	4,668,685	5,370,337
Lease liabilities	407,444	766,378
Current tax liabilities	<u>425,904</u>	<u>51,362</u>
	<u>5,502,033</u>	<u>6,188,077</u>
TOTAL LIABILITIES	<u>9,945,838</u>	<u>11,048,248</u>
TOTAL EQUITIES AND LIABILITIES	<u>59,769,731</u>	<u>62,203,925</u>

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**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Unaudited (6 Months) 30.06.2023 RM	Unaudited (6 Months) 30.06.2022 RM
Revenue	18,924,180	13,760,006
Cost of services	(2,130,658)	(1,146,282)
Staff and management cost	(8,678,098)	(6,264,475)
Other operating income	299,920	419,600
Other operating expenses	(51,774)	(280,307)
Operating expenses	(3,018,783)	(1,397,218)
Depreciation and amortisation	<u>(1,531,158)</u>	<u>(853,041)</u>
Profit from operations	3,813,629	4,238,283
Finance cost	<u>(200,357)</u>	<u>(41,589)</u>
Profit before tax	3,613,272	4,196,694
Tax expense	<u>(1,099,028)</u>	<u>(839,339)</u>
Net profit for the financial year	2,514,244	3,357,355
Exchange differences on translation of foreign operations	87,503	-
Profit for the financial period, representing total comprehensive income for the financial period	<u><u>2,601,747</u></u>	<u><u>3,357,355</u></u>
Total comprehensive income attributable to		
Owners of the Company	2,322,785	3,358,636
Non-controlling interest	<u>278,962</u>	<u>(1,281)</u>
	<u><u>2,601,747</u></u>	<u><u>3,357,355</u></u>

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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023****----- Attributable to owners of the Company -----**

	Share capital RM	Retained profits RM	Foregin currency translation reserve RM	Total RM	Non- controlling interest RM	Total equity RM
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>-</u>	<u>51,694,787</u>	<u>100,541</u>	<u>51,795,328</u>
1 January 2023	46,021,697	3,417,450	(101,715)	49,337,432	1,818,245	51,155,677
Changes in ownership interest in a subsidiary	-	-	-	-	44,712	44,712
Dividend paid	-	(3,978,244)	-	(3,978,244)	-	(3,978,244)
Total comprehensive income for the financial period	-	2,261,207	61,580	2,322,787	278,962	2,601,749
At 30 June 2023	<u>46,021,697</u>	<u>1,700,413</u>	<u>(40,135)</u>	<u>47,681,975</u>	<u>2,141,919</u>	<u>49,823,894</u>

CC INTERNATIONAL BERHAD
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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

	Unaudited (6 Months) 30.06.2023 RM	Unaudited (6 Months) 30.06.2022 RM
Cash flows from operating activities		
Profit before tax	3,613,272	4,196,694
Adjustments for :		
Amortisation of intangible assets	654,328	222,818
Depreciation of property, plant and equipments	225,627	192,233
Amortisation of right-of-use assets	589,740	437,991
Property, plant and equipment charged out	292,411	-
Bad debt recovered	(559)	-
Bad debt written off	91,440	946
Gain from disposal of other investments	-	(2,129)
Interest expenses	200,357	41,589
Interest income	(63,435)	(8,059)
Operating profit before working capital changes	5,603,181	5,082,083
Changes in:		
Trade receivables and other receivable	(2,077,681)	(2,243,474)
Other payable and accruals	(905,687)	(4,093,967)
Cash (used in)/ generated from operations	2,619,813	(1,255,358)
Tax paid	(710,292)	(503,068)
Interest received	63,435	8,059
Net cash (used in)/ from operating activities	1,972,956	(1,750,367)
Cash flows from investing activities		
Purchase of property, plant and equipment	(588,800)	(212,727)
Proceeds from disposal of investment	3,065,611	75,267
Acquisition of other investment	(15,175)	(3,357,768)
Acquisition of intangible assets	(1,429,290)	(575,298)
Net cash used in investing activities	1,032,346	(4,070,526)
Cash flows from financing activities		
Interest paid	(200,357)	(41,589)
Financing from shareholders	(111,964)	-
Financing from ultimate holding company	(18,683)	83,502
Repayment to related parties	134,164	(48,224)
Proceeds from issuance of shares	-	10,062,000
Repayment from/ (to) related companies	(507)	34,957
Repayment of lease liability	(391,005)	(436,231)
Dividend paid	(3,978,244)	-
Net cash from/ (used in) financing activities	(4,566,596)	9,654,415
Net increase/ (decrease) in cash and cash equivalents	(1,561,294)	3,833,522
Effect of change translation differences	105,961	-
Cash and cash equivalents at beginning of financial period	9,478,873	11,331,827
Cash and cash equivalents at end of financial period	8,023,540	15,165,349

CC INTERNATIONAL BERHAD

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIALS FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2023

A1. Basis of preparation

The unaudited interim financial statements of CC International Berhad (“**Company**”) and its subsidiaries (collectively, the “**Group**”) for the 6-month financial period ended (“**FPE**”) 30 June 2023 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 2023 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 2022 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 for the financial year ended 31 December 2022, except for the following new MFRSs and amendments to MFRSs that have 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 Assts 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 for 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.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIALS FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2023 (Cont'd)

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. 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:

On 15 March 2023, DWATS Pty Ltd, a 90% owned subsidiary of the Company, had entered into an agreement with Chengco Taxation Pty Ltd (CCT Agreement) for the acquisition of the clientele and assets of Chengco Taxation Pty Ltd for a cash consideration of AUD0.185 million. The said acquisition was completed on 30th April 2023.

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

The Group does not have any capital commitments as at 30 June 2023.

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Segmental Information

(i) Analysis of revenue

	Unaudited (6 Months) 30.06.2023 RM	Unaudited (6 Months) 30.06.2022 RM
GBS - Accounting and business service outsourcing	5,439,987	3,615,008
Taxation	5,140,326	4,563,561
Corporate secretarial	4,065,435	3,756,076
Property Management	2,512,018	-
Business consultancy	978,144	987,830
Wealth management	788,270	837,531
Total	<u>18,924,180</u>	<u>13,760,006</u>

In 2022, the Group had undertaken the following exercises:

- (i) acquisition of the business (comprising the clientele and assets) of DWATS Practice Trust for a total cash consideration of AUD0.75 million, which was completed on 21 August 2023;
- (ii) acquisition of the clientele of VF Business Advisory Sdn Bhd for a total cash consideration of RM0.13 million, which was completed on 1 December 2022;
- (iii) acquisition of the clientele of VF Corporate Services Sdn Bhd for a cash consideration of RM0.26 million, which was completed on 1 December 2022;
- (iv) acquisition of the clientele of Vital Fact Advisory PLT for a cash consideration of RM0.46 million, which was completed on 1 December 2022; and
- (v) acquisition of 58.5% equity interest in M Property Management Pty Ltd for a cash consideration of AUD1.3 million, which was completed on 1 December 2022.

During the FPE 30 June 2023, the Group recorded an increase in revenue by RM5.2 million or 37.5% as compared to the FPE 30 June 2022. The increase in revenue was mainly due to:

- (i) higher revenue contribution from the business segments of GBS – Accounting and business service outsourcing, taxation and corporate secretarial totalling RM2.7 million, whereby the said increase in revenue was mainly due to new clientele base acquired arising from the Group’s acquisition of DWATS Practice Trust, Vital Fact Advisory PLT and Vital Fact Corporate Services Sdn Bhd and VF Business Advisory Sdn Bhd in 2022; and
- (ii) new revenue stream from property management segment arising from the acquisition of M Property Management Pty Ltd in 2022.

However, the Group recorded a decrease in revenue from business consultancy and wealth management segment, which was mainly due to lesser ad hoc consultancy and wealth management consultancy services during the FPE 30 June 2023.

(ii) Analysis of profit after tax

During the FPE 30 June 2023, the Group recorded a lower profit before tax of RM3.6 million as compared to RM4.2 million during the FPE 30 June 2022. The decrease in profit before tax was mainly due to higher staff and management cost by RM2.4 million as a result of, amongst others, higher headcount after the Group's acquisition exercises in 2022.

Correspondingly, the Group recorded a lower profit after tax of RM2.5 million as compared to RM3.4 million during the FPE 30 June 2022.

B2. Related party transactions

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

	30.06.2023	30.06.2022
	RM	RM
<u>Transaction with directors and company in which certain directors have substantial financial interests</u>		
Sale	35,482	18,209
Rental of premise (income)	47,100	38,400
Rental of premise	(380,000)	(377,650)
Outsourcing income	<u>93,127</u>	<u>18,500</u>

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

B3. Income tax expenses

	30.06.2023	30.06.2022
	RM	RM
<i>Income tax</i>		
Current tax	<u>1,099,028</u>	<u>839,339</u>

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

B4. 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.

Further, the Group had in 2022 undertaken 5 acquisition exercises (as set out in note **B1** above) as part of its long-term growth strategy. The acquisition exercises had enabled the Group to achieve higher revenue by RM5.2 million or 37.5% during the FPE 30 June 2023 as compared to the FPE 30 June 2022.

In addition, the Company had on 26 July 2023 announced that it had completed a placement exercise which entailed the issuance of 93,457,943 ordinary shares in the Company to COPE Opportunities IV Sdn Bhd at an issue price of RM0.321 each (“**Placement**”), which raised total gross proceeds of RM30.0 million whereby, the majority of proceeds raised are intended for funding of the Group’s future mergers and/or acquisitions of companies/businesses that are principally involved in the business of provision of professional business services.

Considering the Group’s expansion plans as stated above, the Board is optimistic on the Group’s prospect moving forward.

B5. 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 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.

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C. OTHER INFORMATION

C1. Status of Utilisation of Proceeds

On 26 Jul 2023, the Company announced that it had completed the Placement. As at 21 August 2023, the status of utilisation of the gross proceeds raised are as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Balance	Estimated timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	
(i) Future mergers and/or acquisitions of companies/businesses principally involved in the business of provision of professional business services	20,700	-	20,700	Within 24 months
(ii) Purchase and/or co-invest in new office	7,000	-	7,000	Within 24 months
(iii) Procurement of Information Technology (“IT”)	500	-	500	Within 12 months
(iv) Working capital	1,700	-	1,700	Within 12 months
(v) Estimated expenses in respect of the Proposed Placement	100	100	-	Immediate
Total	30,000	100	29,900	

C2. Loans and Borrowings

The Group’s total borrowings as at 30 June 2023 are as follows:

	(Unaudited) As at 30.06.2023 RM	(Audited) As at 31.12.2022 RM
<i>Non-current</i>		
Bank loans	<u>3,872,075</u>	<u>4,256,369</u>

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

C. OTHER INFORMATION (Cont'd)

C3. Dividend

Since the end of the previous financial year, the Company had on 20 June 2023 paid an interim single tier dividend of RM0.0103 per share totalling RM3,978,244 in respect of the financial year ended 31 December 2023.

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. Earnings per share

	30.06.2023	30.06.2022
	RM	RM
Profit attributable to owners of the Company	<u>2,322,785</u>	<u>3,358,636</u>
Weighted average number of ordinary shares	<u>383,062,743</u>	<u>348,809,625</u>
Basic earnings per ordinary share (sen)	<u>0.61</u>	<u>0.96</u>

C6. Subsequent Events

On 26 June 2023, the Company had entered into a conditional subscription agreement with COPE Opportunities IV Sdn Bhd (“COPE”) for the Placement. The Placement was completed on 26 July 2023.

Save for the Placement, there are no other material events subsequent to the end of the current FPE 30 June 2023 that have not been disclosed in this report.