



CC INTERNATIONAL BERHAD

(Registration No: 201501043532 (1168853-K))

(Incorporated in Malaysia)

UNAUDITED FINANCIAL STATEMENTS FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 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 31 DECEMBER 2023**

	Unaudited as at 31.12.2023 RM	Audited as at 31.12.2022 RM
ASSETS		
Non-current assets		
Property, plant and equipment	1,588,245	1,289,611
Right-of-use asset	1,459,636	1,152,902
Intangible assets	11,926,564	10,347,816
Goodwill on consolidation	25,193,826	25,088,068
	<u>40,168,271</u>	<u>37,878,397</u>
Current assets		
Trade and other receivables	11,203,253	8,820,432
Amount due from ultimate holding company	223	-
Amount due from related companies	253	-
Amount due from related parties	35,028	-
Current tax assets	982,865	711,650
Other investment	* 32,501,422	5,314,573
Cash and bank balances	13,234,029	9,478,873
	<u>57,957,073</u>	<u>24,325,528</u>
TOTAL ASSETS	<u>98,125,344</u>	<u>62,203,925</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	76,021,697	46,021,697
Foreign currency translation reserve	246,254	(101,715)
Accumulated profits	5,530,962	3,417,450
	<u>81,798,913</u>	<u>49,337,432</u>
Non-controlling interest	2,417,074	1,818,245
TOTAL EQUITIES	<u>84,215,987</u>	<u>51,155,677</u>

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

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (Cont'd)**

	Unaudited as at 31.12.2023 RM	Audited as at 31.12.2022 RM
LIABILITIES		
Non-current liabilities		
Loan and borrowing	4,006,045	4,256,370
Deferred tax liabilities	121,380	121,380
Lease liabilities	922,901	482,421
	<u>5,050,326</u>	<u>4,860,171</u>
Current liabilities		
Trade payables and other payables	7,544,597	5,370,337
Amount due to related parties	6,349	-
Lease liabilities	611,270	766,378
Current tax liabilities	696,815	51,362
	<u>8,859,031</u>	<u>6,188,077</u>
TOTAL LIABILITIES	<u>13,909,357</u>	<u>11,048,248</u>
Net current assets	<u>49,098,042</u>	<u>18,137,451</u>
TOTAL EQUITY AND LIABILITIES	<u>84,215,987</u>	<u>51,155,677</u>

* Other investments mainly comprise unutilised proceeds from a private placement exercise completed on 26 July 2023. These unutilised proceeds were held in short-term investments so to earn interest income pending actual utilisation. Please refer to notes A1 and C1 for further details on the said private placement exercise.

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2023**

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited 31.12.2023 RM	Unaudited 31.12.2022 RM	Unaudited 31.12.2023 RM	Audited 31.12.2022 RM
Revenue	20,954,262	13,784,348	39,878,442	26,978,471
Cost of services	(1,785,042)	(1,481,511)	(3,915,700)	(2,627,791)
Staff and management cost	(10,293,375)	(8,087,655)	(18,971,473)	(14,150,501)
Other operating income	501,724	323,224	801,644	775,665
Other operating expenses	(433,449)	(578,382)	(485,223)	(863,733)
Operating expenses	(1,959,035)	(2,354,187)	(4,977,818)	(3,196,243)
Depreciation and amortisation	(1,295,575)	(814,503)	(2,826,733)	(1,728,780)
Profit from operations	5,689,510	791,334	9,503,139	5,187,088
Finance cost	(221,776)	(62,882)	(422,133)	(104,517)
Profit before tax	5,467,734	728,452	9,081,006	5,082,571
Income tax expense	(1,212,151)	(344,042)	(2,311,179)	(1,386,961)
Profit for the financial year	4,255,583	384,410	6,769,827	3,695,610
Items that will not be reclassified subsequently to profit or loss:				
Exchange translation differences of foreign subsidiary companies	375,691	59,443	463,194	(144,619)
Total comprehensive income for the financial year	4,631,274	443,853	7,233,021	3,550,991
Total comprehensive income attributable to:				
Owners of the Company	4,116,939	319,895	6,439,724	3,473,200
Non-controlling interest	514,335	123,958	793,297	77,791
	4,631,274	443,853	7,233,021	3,550,991
Profit per ordinary share attributable to owners of the Company (sen)				
- Basic earnings per share	1.01	0.08	1.51	0.97
- Diluted earnings per share	1.01	0.08	1.51	0.97

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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2023**

	----- Attributable to owners of the Company -----				Non-	
	Share capital	Retained	Foreign currency	Total	controlling	Total equity
	RM	profits	translation reserve	RM	interest	RM
		RM	RM		RM	
1 January 2022	35,959,697	2,314,454	-	38,274,151	101,822	38,375,973
Total comprehensive income for the year	-	3,574,915	-	3,574,915	120,695	3,695,610
Other comprehensive income			(101,715)	(101,715)	(42,904)	(144,619)
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	-	-	-	-	1,638,632	1,638,632
At 31 December 2022 and 1 January 2023	46,021,697	3,417,450	(101,715)	49,337,432	1,818,245	51,155,677
Total comprehensive income for the year	-	6,091,756	347,969	6,439,725	793,297	7,233,022
Issuance of new share	30,000,000	-	-	30,000,000	-	30,000,000
Dividends	-	(3,978,244)	-	(3,978,244)	-	(3,978,244)
Acquisition of subsidiaries	-	-	-	-	-	-
Changes in ownership interest in subsidiary	-	-	-	-	(194,468)	(194,468)
At 31 December 2023	76,021,697	5,530,962	246,254	81,798,913	2,417,074	84,215,987

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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2023**

	Unaudited 31.12.2023 RM	Audited 31.12.2022 RM
Cash flows from operating activities		
Profit before tax	9,081,006	5,082,571
Adjustments for :		
Amortisation of intangible assets	1,433,748	438,061
Allowance for impairment trade receivable	214,424	113,684
Bad debt written off	141,564	352,135
Bad debt recovered	(5,769)	(30,797)
Depreciation of property, plant and equipment	494,047	424,567
Depreciation of right-of use of asset	900,211	868,013
Interest expenses	422,133	104,517
Intangible asset written off	-	(889)
Property, plant and equipment written off	3,770	-
Interest income	(374,264)	(33,318)
Operating profit before working capital changes	<u>12,310,870</u>	<u>7,318,544</u>
Changes in:		
Trade receivables and other receivables	(2,902,633)	(1,351,350)
Trade payable and other payables	2,077,135	(2,876,724)
Cash generated from operations	<u>11,485,372</u>	<u>3,090,470</u>
Tax paid	(1,934,952)	(2,016,026)
Interest received	374,264	33,318
Net cash from operating activities	<u>9,924,684</u>	<u>1,107,762</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(767,058)	(478,461)
Proceeds from disposal of other investments	3,022,483	3,321,233
Acquisition of other investment	(30,209,332)	(6,821,705)
Acquisition of intangible assets	(2,540,798)	(671,566)
Acquisition of subsidiary	(457,142)	(5,028,753)
Net cash used in investing activities	<u>(30,951,847)</u>	<u>(9,679,252)</u>

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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	Unaudited 31.12.2023 RM	Audited 31.12.2022 RM
Cash flows from financing activities		
Interest paid	(422,133)	(104,517)
Repayment from holding company	-	85,781
Repayment to/ (from) ultimate holding company	(17,592)	17,369
Repayment to shareholder	(156,676)	-
Financing from shareholder	112,522	156,676
Proceeds from issuance of shares	30,000,000	10,062,000
Repayment to related parties	204,671	(162,187)
Repayment from ultimate holding company	-	-
Repayment (to) /from related companies	(760)	35,463
Repayment of lease liabilities	(921,574)	(872,048)
Dividend paid	(3,978,244)	(2,471,919)
Net cash from/ (used in) financing activities	<u>24,820,214</u>	<u>6,746,618</u>
Net (decrease)/ increase in cash and cash equivalents	3,793,051	(1,824,872)
Effect of exchange translation differences	(37,895)	(28,082)
Cash and cash equivalents at beginning of financial year	<u>9,478,873</u>	<u>11,331,827</u>
Cash and cash equivalents at end of financial year	<u>13,234,029</u>	<u>9,478,873</u>

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2023

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 2023 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 2022.

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 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 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 2023 (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, CCIB announced that it had entered into an agreement with Damien Shee Wong and Jun Shern Ng for the acquisition of the business (comprising the clientele and assets) of DWATS Practice Trust for a total cash consideration of AUD0.75 million (RM2.36 million) (“**Acquisition of DWATS**”). The business acquired are currently operated by DWATS Pty Ltd, a subsidiary of CCIB. The Acquisition of DWATS was completed on 21 August 2023;
- (b) on 1 September 2023, CCIB had entered into an agreement with Ho Wan Yean and Chua Hock Hoo for the acquisition of the business (comprising the clientele and assets) of Cheng & Co Advisory (S) Pte Ltd for a cash consideration of RM0.753 million. The said acquisition was not subject to the approval of CCIB’s shareholders and was completed on 19 September 2023; and
- (c) on 21 December 2023, the Company had entered into an agreement with Damien Shee Wong for the acquisition of the remaining 10% equity interests in DWATS Pty Ltd that are not held by CCIB for a total cash consideration of AUD0.1 million. The said acquisition was not subject to the approval of CCIB’s shareholders and was completed on 14 January 2024.

A6. Debt and equity securities

On 26 June 2023 and 13 July 2023, CCIB announced that it had entered into a conditional subscription agreement with COPE Opportunities IV Sdn Bhd for the proposed issuance of 93,457,943 ordinary shares in CCIB to COPE Opportunities IV Sdn Bhd at an issue price of RM0.321 each (“**Placement**”), which raised total gross proceeds of RM30.0 million. The Placement was completed on 26 July 2023.

Save for the Placement, CCIB 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 2023.

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

	Unaudited	Audited
	31.12.2023	31.12.2022
	RM	RM
GBS - Accounting and business service outsourcing	11,139,850	7,598,787
Taxation	10,945,182	8,230,916
Property management	4,763,689	416,980
Corporate secretarial	8,657,758	6,572,522
Business consultancy	2,169,474	2,615,849
Wealth management	2,202,489	1,543,417
Total	<u>39,878,442</u>	<u>26,978,471</u>

The Group recorded an increase in revenue by RM12.9 million or 47.8% during the FYE 31 December 2023 as compared to the FYE 31 December 2022. The increase in revenue was mainly due to the following key factors:

- (a) higher revenue contribution from the property management segment by RM4.3 million, which was mainly due to full year revenue contribution from M Property Management Pty Ltd, a 58.5%-owned subsidiary company of CCIB which was acquired in December 2022;
- (b) higher revenue contribution from the GBS – Accounting and business service outsourcing segment by RM3.5 million, which was mainly due to full year revenue contribution from DWATS Pty Ltd, a subsidiary company of CCIB, whereby the said subsidiary has taken over the clientele and assets of DWATS Practice Trust which were acquired since 1 July 2022;
- (c) higher revenue contribution from the taxation segment by RM2.7 million, which was mainly due to increased in new clientele on tax computation, revision of pricing, transfer pricing and tax advisory as well as due to the full year revenue contribution from the acquisition of clientele from Vital Fact Advisory PLT, which was acquired in December 2022;
- (d) higher revenue contribution from the corporate secretarial segment by RM2.1 million, which was mainly due to full year revenue contribution from VF Corporate Services Sdn Bhd, which was acquired in December 2022, as well as new clientele base from Cheng & Co Advisory (S) Pte Ltd, a new subsidiary of CCIB which was incorporated on 20 March 2008 and is principally involved in the business of provision of corporate secretarial to the Singapore market; and
- (e) higher revenue contribution from the wealth management segment by RM0.7 million, which was mainly due to an ad hoc wealth management consultancy undertaken.

The decrease in revenue from business consultancy segment by RM0.5 million was mainly due to absence of an one-off consultancy fee received from a one-off consultancy project undertaken in the FYE 31 December 2022 amounting to RM0.5 million, as well as lesser ad hoc consultancy services undertaken during the FYE 31 December 2023.

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(ii) Analysis of profit after tax

The Group recorded higher staff and management cost by RM2.2 million during the FYE 31 December 2023 as compared to the FYE 31 December 2022. The said increase in staff and management cost was mainly due to the increase in CCIB's operations scale arising from the acquisition exercises undertaken in year 2023. However, as elaborated in sub-note (i) above, the acquisition exercises have resulted in the Group achieving higher revenue. Accordingly, in line with the increase in revenue, the Group had recorded an increase profit after tax by RM2.9 million as compared to FYE 31 December 2022.

B2. Related party transaction

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

	31.12.2023	31.12.2022
	RM	RM
<u>Transaction with holding company:</u>		
Professional fee	4,830	2,600
Outsourcing income	12,000	12,000
<u>Transaction with other related parties:</u>		
Professional fee	65,483	36,837
Outsourcing income	130,360	161,365
Rental income	94,200	81,161
Rental expenses	<u>(788,296)</u>	<u>(756,750)</u>

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

B3. Income tax expenses

	31.12.2023	31.12.2022
	RM	RM
<i>Income tax</i>		
Current tax	<u>2,311,179</u>	<u>1,386,961</u>

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.

As part of the Group’s on-going expansion plan, CCIB had on 26 July 2023 announced that it had completed the Placement which raised total gross proceeds of RM30.0 million. As set out in note C1 below, the majority of proceeds raised amounting to RM20.7 million have been allocated to fund CCIB’s future mergers and/or acquisition exercises involving companies and/or businesses that are principally involved in the provision of professional business services. Such expansion exercises, when materialised, is expected to enable the Group to grow its business and operations scale expeditiously.

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Considering the 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 public document.

B6. Status of corporate exercises

On 13 February 2024, CCIB announced that it had entered into a share sale agreement with Match Pty Ltd for the acquisition of the remaining 41.5% equity interest in M Property Management Pty Ltd that are not held by CCIB. For information, M Property Management Pty Ltd is currently an 58.5%-owned subsidiary of CCIB which is principally involved in the business of provision of property management services in Australia. As at the date of this report, this acquisition exercise is pending completion.

Save as disclosed above, there have been no other corporate proposal which have been announced by CCIB but pending completion.

C. OTHER INFORMATION

C1. Status of Utilisation of Proceeds

On 26 July 2023, the Company announced that it had completed the Placement. As at 26 February 2024, the status of utilisation of the gross proceeds raised are as follows:

<u>Purpose</u>	<u>Proposed Utilisation</u>	<u>Actual Utilisation</u>	<u>Balance</u>	<u>Estimated timeframe for utilisation upon listing</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
(i) Future mergers and/or acquisitions of companies/businesses principally involved in the business of provision of professional business services	20,700	8,658	12,042	Within 24 months
(ii) Purchase and/or co-invest in new office	7,000	100	6,900	Within 24 months
(iii) Procurement of Information Technology ("IT")	500	74	426	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	8,932	21,068	

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C. OTHER INFORMATION (Cont'd)**C2. Loans and Borrowings**

The Group's total borrowings as at 31 December 2023 are as follows:

	(Unaudited) As at 31.12.2023 RM	(Audited) As at 31.12.2022 RM
<i>Non-current</i>		
Bank loans	<u>4,006,045</u>	<u>4,256,369</u>

The borrowings bear interests of between 7.50% to 8.75% per annum and are repayable up to 31 October 2025.

C3. Dividend

CCIB 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 for the current financial period under review.

C4. Material litigations

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

C5. Earnings per share

	31.12.2023 RM	31.12.2022 RM
Profit attributable to owners of the Company	<u>6,439,724</u>	<u>3,574,915</u>
Weighted average number of ordinary shares	<u>427,205,161</u>	<u>367,682,501</u>
Basic earnings per ordinary share (sen)	<u>1.51</u>	<u>0.97</u>

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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