

AURORA ITALIA INTERNATIONAL BERHAD  
(Company Registration No. 201801037877(1299907-T))



**AURORA ITALIA INTERNATIONAL BERHAD**  
(Company Registration No. 201801037877(1299907-T))  
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED  
30 SEPTEMBER 2020  
("HALF YEARLY FINANCIAL STATEMENTS")**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("LEAP MARKET")**

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON BURSA MALAYSIA SECURITIES BERHAD. 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 THE LISTED CORPORATION. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST AFTER DUE AND CAREFUL CONSIDERATIONS AND, IF APPROPRIATE, CONSULTATION WITH STOCKBROKER, MANAGER, SOLICITOR, ACCOUNTANT AND OTHER PROFESSIONAL ADVISERS.

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020**

	Unaudited as at 30.09.2020 RM'000	Audited as at 31.03.2020 RM'000
<b>ASSETS</b>		
<b>Fixed Assets</b>		
Property, plant and equipment	428	461
Right-of-use assets	33	154
Intangible assets	-	145
Total Fixed Assets	461	760
<b>Current Assets</b>		
Inventories	2,806	1,732
Trade and other receivables	2,959	3,831
Cash and cash equivalent	4,099	76
Total current assets	9,864	5,639
<b>Total Assets</b>	10,325	6,399
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	5,815	2,754
Merger deficit	(1,754)	(1,754)
Accumulated profit	4,883	4,748
Total Equity	8,944	5,748
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Finance lease liabilities	-	18
Deferred tax liabilities	25	25
Total non-current liabilities	25	43
<b>Current Liabilities</b>		
Trade and other payables	1,279	434
Finance lease liabilities	35	143
Contract liabilities	6	7
Current tax payable	36	24
Total current liabilities	1,356	608
<b>Total Liabilities</b>	1,381	651
<b>Total Equity and Liabilities</b>	10,325	6,399

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**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020 (CONT'D)**

	<b>Unaudited as at 30.09.2020</b>	<b>Audited as at 31.03.2020</b>
<b>Net Assets per share (sen) *</b>	<u>1.54</u>	<u>2.09</u>

\* Net assets per share is calculated based on the Company's number of ordinary shares at the end of the reporting period.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020**

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30.09.20	30.09.19	30.09.20	30.09.19
	RM'000	RM'000	RM'000	RM'000
Revenue	13,176	7,236	13,176	7,236
Cost of Sales	(10,717)	(4,072)	(10,717)	(4,072)
Gross Profit	2,459	3,164	2,459	3,164
Other Income	11	-	11	-
Distribution cost	(170)	(493)	(170)	(493)
Administration cost	(1,791)	(948)	(1,791)	(948)
Other cost	(3)	(4)	(3)	(4)
Profit from operations	506	1,719	506	1,719
Finance cost	3	-	3	-
Profit Before Taxation	509	1,719	509	1,719
Income tax expense	(374)	(418)	(374)	(418)
<b>Profit After Taxation</b>	<b>135</b>	<b>1,301</b>	<b>135</b>	<b>1,301</b>
Earnings per share (sen)				
Basic/Diluted	0.02	0.22	0.02	0.22

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE FINANCIAL PERIOD OF 1 APRIL 2020 TO 30 SEPTEMBER 2020**

**Attributable to owners of the Company**

	<b>Share capital RM'000</b>	<b>Merger deficit RM'000</b>	<b>Accumulated profit RM'000</b>	<b>Total RM'000</b>
Balance at 31 March 2019	2,754	(1,754)	2,765	3,765
Effects of adoption of MFRS 16	-	-	(29)	(29)
Balance at 1 April 2019	2,754	(1,754)	2,736	3,736
Profit for the financial year	-	-	2,012	2,012
Balance at 31 March 2020	2,754	(1,754)	4,748	5,748
Issue of ordinary shares	3,061	-	-	3,061
Profit for the financial period	-	-	135	135
Balance at 30 September 2020	5,815	(1,754)	4,883	8,944

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020**

	UNAUDITED 6 MONTHS ENDED	
	30.09.20 RM'000	30.09.19 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	509	1,719
Adjustment for :		
Depreciation of property, plant and equipment	39	34
Amortisation of intangible assets	145	-
Gain on disposal of property, plant and equipment	(3)	-
Interest expense	(3)	-
	<hr/>	<hr/>
<b>Operating profit before working capital changes</b>	687	1,753
Changes in working capital :		
(Increase)/decrease in inventories	(1,074)	2,232
(Increase)/decrease in receivables	872	(2,523)
Increase/(decrease) in payables	844	(1,213)
Total changes in working capital	642	(1,504)
Tax Paid	(361)	(173)
	<hr/>	<hr/>
<b>Net Cash From Operating Activities</b>	968	76
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(12)	(6)
Proceeds from disposal of property, plant and equipment	8	-
	<hr/>	<hr/>
<b>Net Cash Used In Investing Activities</b>	(4)	(6)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in share capital	3,061	-
Repayment of finance lease liabilities	(5)	-
Interest paid on finance lease liabilities	3	-
	<hr/>	<hr/>
<b>Net Cash From Financing Activities</b>	3,059	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	4,023	70
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<hr/>	<hr/>
	76	205
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<hr/> <hr/>	<hr/> <hr/>
	4,099	275

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED  
30 JUNE 2020**

**A1. BASIS OF PREPARATION**

The interim financial statements of Aurora Italia International Berhad and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting.

This is the interim financial report on the consolidated results for the half-year ended 30 September 2020 announced by the Company in compliance with Paragraph 6.12 of the LEAP Market’s Listing Requirements of Bursa Securities.

The unaudited interim financial statements ended 30 September 2020 should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial report.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group’s and of the Company’s financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

<b>Description</b>	<b>Effective for financial year beginning on or after</b>
Amendments to MFRSs, Amendments to References to the Conceptual Framework in MFRS Standards	January 1, 2020
Amendments to MFRS 3, Definition of Business	January 1, 2020
Amendments to MFRS101 and MFRS108, Definition of Material	January 1, 2020
Amendments to MFRS9, MFRS139 and MFRS7, Interest Rate Benchmark Reform	January 1, 2020
Amendments to MFRS16 Covid-19 – Related Rent Concessions	June 1, 2020
MFRS 17, Insurance Contracts	January 1, 2021
Amendments to MFRS101, Classification of Liabilities as Current or Non-current	January 1, 2022
Amendments to MFRS1, MFRS9, MFRS16 and MFRS141, Annual Improvements to MFRS Standards 2018 - 2020	January 1, 2022
Amendments to MFRS3, Reference to the Conceptual Framework	January 1, 2022

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020 (CONT'D)**

**A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Amendments to MFRS116, Property, Plant and Equipment - Proceeds before Intended Use	January 1, 2022
Amendments to MFRS137, Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022
Amendments to MFRS10 and MFRS128 –Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current and prior financial statements of the Group and the Company.

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**A3. SEASONAL OR CYCLICAL FACTORS**

The Group's operations were not affected by seasonal or cyclical factors for the current period under review.

**A4. UNUSUAL ITEMS**

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

**A5. MATERIAL CHANGES IN ESTIMATES**

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

**A6. DEBT AND EQUITY SECURITIES**

There was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period.



**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020 (CONT'D)**

**A7. SEGMENTAL INFORMATION**

The Group's revenue based on the products is presented as follows:

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30.09.20	30.09.19	30.09.20	30.09.19
	RM'000	RM'000	RM'000	RM'000
Charms	-	3,957	-	3,957
Bracelets	-	337	-	337
Bangles	-	2,911	-	2,911
Silver jewelleryes	496	-	496	-
1 gram bullion bar	12,498	2	12,498	2
Raw gold	178	-	178	-
Others <sup>(1)</sup>	4	29	4	29
	<b>13,176</b>	<b>7,236</b>	<b>13,176</b>	<b>7,236</b>

**Note:**

<sup>(1)</sup> Includes accessories, repair, cleaning and polishing charges.

The following table presents the Group's revenue by geographical segment for the years indicated:

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30.09.20	30.09.19	30.09.20	30.09.19
	RM'000	RM'000	RM'000	RM'000
Malaysia	13,123	7,181	13,123	7,181
Others <sup>(1)</sup>	53	55	53	55
	<b>13,176</b>	<b>7,236</b>	<b>13,176</b>	<b>7,236</b>

**Note:**

<sup>(1)</sup> Includes USA, UK, Indonesia, Hong Kong, Middle East (Iran, Qatar) and Singapore.

**A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF FINANCIAL PERIOD**

There were no other material events subsequent to the date of this interim financial report.

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**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED  
30 JUNE 2020 (CONT'D)**

**A9. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

**A10. CAPITAL COMMITMENTS**

There were no material capital commitments in respect of plant and equipment as at the end of the current financial year.

**PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS**

**B1. REVIEW OF PERFORMANCE**

During the six months period under review, our revenue mainly derived from the sales of 1 gram bullion bar (LBMA) amounting RM12 million or 94.8% of total revenue. The LBMA is new products that partner with Marvel, Disney and Warner Bros.

The Group recorded a decrease in GP margin from 43.7% for financial period ended 30 September 2019 to 18.7% for financial period ended 30 September 2020. The decrease in GP margin was mainly attributed to the increase cost of raw materials.

The Group also recorded a decrease in net profit compare to financial period ended 30 September 2019 by RM1.2 million was due to IPO related expenses with approximately cost RM1.1 million.

**B2. PROSPECTS OF THE GROUP**

The Group remains committed to continuously design and develop jewellery products that are relevant to its target customer segment, the Group's product team works in close collaboration with third party manufacturers with design capabilities to conceptualise the design and development of our jewellery products to keep up with the latest trends.

With the continued efforts to contain the Covid-19 pandemic in Malaysia and other parts of the world coupled with the efforts by governments (especially in the developed countries) to promote economic recovery through various measures had been positive with signs of reversal of the downward trend economic growth.

Online stores with e-commerce infrastructure have continued to operate as normal in most markets throughout the half year of financial period ended 30 September 2020. Online performance continues to be strong, and the channel appears highly resilient during market lockdowns. Many online stores have seen an accelerating growth trend when physical stores temporarily are closed. As a result of this pandemic, online shopping is now the new norm. The Covid-19 pandemic has resulted in e-commerce businesses generating increased sales as people shift their spending habits towards online platforms.

There were no changes in the business direction of the Group which may have an impact on any of the business segments of the Group.

**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.

**PART C: OTHER INFORMATION**

**C1. STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals during the current period under review.

**C2. UTILISATION OF PROCEEDS**

The status of the utilisation of proceeds (approximately RM3.1 million) is as follows:

<b>Proposed utilisation</b>	<b>Proposed amount for utilisation</b>	<b>Actual amount utilised as at the date of this report</b>	<b>Balance amount to be utilised</b>	<b>Estimated time frame for utilisation upon listing</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Opening of new retail concept stores	1,861	-	1,861	Within 24 months
System upgrade and enhancement	200	39	161	Within 12 months
Estimated listing expenses	1,000	1,000	-	Immediately
<b>Total Proceeds</b>	<b>3,061</b>	<b>1,039</b>	<b>2,022</b>	

Note:

\*Utilisation as at 30 September 2020

**C3. MATERIAL LITIGATION**

The Board is not aware of any proceedings/ material litigations pending or threatened against the Group as at the date of this report.

**PART C: OTHER INFORMATION (CONT'D)**

**C4. EARNING PER SHARE**

- (i) The basic loss per share for the current financial period and financial year-to-date are computed as follows: -

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30.09.20	30.09.19	30.09.20	30.09.19
Profit attributable to owners of the parent (RM'000)	135	1,301	135	1,301
Weighted average number of ordinary shares ('000)	581,495	275,445	581,495	275,445
Earnings per share (sen)	0.02	0.47	0.02	0.47

- (ii) Diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive instruments.