



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

FINANCIAL STATEMENTS FOR THE 2ND HALF-YEAR ENDED 31 MARCH 2021

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 31 MARCH 2021**

| | Unaudited as at 31.03.2021 RM'000 | Audited as at 31.03.2020 RM'000 |
|--------------------------------|--|--|
| ASSETS | | |
| Fixed Assets | | |
| Property, plant and equipment | 265 | 461 |
| Right-of-use assets | 17 | 154 |
| Intangible assets | - | 145 |
| Goodwill | 28,689 | - |
| Total Fixed Assets | 28,971 | 760 |
| Current Assets | | |
| Inventories | 32,943 | 1,732 |
| Trade and other receivables | 10,320 | 3,831 |
| Cash and cash equivalent | 6,352 | 76 |
| Total current assets | 49,615 | 5,639 |
| Total Assets | 78,586 | 6,399 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share Capital | 37,815 | 2,754 |
| Merger deficit | (1,754) | (1,754) |
| Revaluation reserve | 1,550 | - |
| Accumulated profit | 7,453 | 4,748 |
| Total Equity | 45,064 | 5,748 |
| Liabilities | | |
| Non-current liabilities | | |
| Finance lease liabilities | - | 18 |
| Deferred tax liabilities | 35 | 25 |
| Total non-current liabilities | 35 | 43 |

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021 (CONT'D)**

| | Unaudited as at 31.03.2021 RM'000 | Audited as at 31.03.2020 RM'000 |
|-------------------------------------|--|--|
| <i>Current Liabilities</i> | | |
| Trade and other payables | 32,745 | 434 |
| Finance lease liabilities | 18 | 143 |
| Contract liabilities | 6 | 7 |
| Current tax payable | 718 | 24 |
| Total current liabilities | <u>33,487</u> | <u>608</u> |
| Total Liabilities | <u>33,522</u> | <u>651</u> |
| Total Equity and Liabilities | <u><u>78,586</u></u> | <u><u>6,399</u></u> |
| | | |
| Net Assets per share (sen) * | <u>7.20</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 PROFIT AND LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE 2ND HALF YEAR ENDED 31 MARCH 2021**

| | INDIVIDUAL 6 MONTHS ENDED | | CUMULATIVE 12 MONTHS ENDED | |
|------------------------------|---------------------------|------------|----------------------------|--------------|
| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 20,630 | 4,802 | 33,806 | 12,038 |
| Cost of Sales | (15,437) | (3,079) | (26,154) | (7,151) |
| Gross Profit | 5,193 | 1,723 | 7,652 | 4,887 |
| Other Income | 6 | 1 | 17 | 1 |
| Distribution cost | (267) | (113) | (437) | (606) |
| Administration cost | (1,343) | (587) | (3,134) | (1,535) |
| Other cost | (16) | (20) | (19) | (24) |
| Profit from operations | 3,573 | 1,004 | 4,079 | 2,723 |
| Finance cost | (1) | (15) | 2 | (15) |
| Profit Before Taxation | 3,572 | 989 | 4,081 | 2,708 |
| Income tax expense | (1,002) | (278) | (1,376) | (696) |
| Profit After Taxation | 2,570 | 711 | 2,705 | 2,012 |
| Earnings per share (sen) | | | | |
| Basic/Diluted | 0.41 | 0.26 | 0.43 | 0.73 |

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE 2ND HALF YEAR ENDED 31 MARCH 2021**

| | <u>Attributable to owners of the Company</u> | | | | |
|---|--|-----------------------------|----------------------------------|---------------------------------|-----------------|
| | Share capital RM'000 | Merger deficit RM'000 | Revaluation reserve RM'000 | Accumulated profit RM'000 | Total RM'000 |
| 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 | 35,061 | - | - | - | 35,061 |
| Revaluation reserve for financial year | - | - | 1,550 | - | 1,550 |
| Profit for the financial year | - | - | - | 2,705 | 2,705 |
| Balance at 31 March 2021 | 37,815 | (1,754) | 1,550 | 7,453 | 45,064 |

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 2ND HALF YEAR ENDED 31 MARCH 2021**

| | UNAUDITED 12 MONTHS ENDED | |
|---|----------------------------------|--------------------|
| | 31.03.2021 | 31.03.2020 |
| | RM'000 | RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 4,081 | 2,708 |
| Adjustment for : | | |
| Depreciation of property, plant and equipment | 78 | 550 |
| Property, plant and equipment written off | 265 | - |
| Amortisation of intangible assets | 145 | 64 |
| Gain on disposal of property, plant and equipment | (3) | - |
| Interest expense | (3) | 15 |
| | <hr/> | <hr/> |
| Operating profit before working capital changes | 4,563 | 3,337 |
| Changes in working capital : | | |
| (Increase)/decrease in inventories | (633) | 3,586 |
| (Increase)/decrease in receivables | (2,420) | (15) |
| Increase/(decrease) in payables | 2,393 | (5,244) |
| Total changes in working capital | (660) | (1,673) |
| Tax Paid | (965) | (1,019) |
| Net Cash From Operating Activities | <hr/> 2,938 | <hr/> 645 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (37) | (48) |
| Purchase of intangible asset | - | (210) |
| Acquisition of a subsidiary, net of cash acquired | (31,692) | - |
| Proceeds from disposal of property, plant and equipment | 8 | - |
| Net Cash Used In Investing Activities | <hr/> (31,721) | <hr/> (258) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase in share capital | 35,061 | - |
| Repayment of finance lease liabilities | (5) | (501) |
| Interest paid on finance lease liabilities | 3 | (15) |
| Net Cash From Financing Activities | <hr/> 3,059 | <hr/> (516) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | <hr/> 6,276 | <hr/> (129) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <hr/> 76 | <hr/> 205 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <hr/> 6,352 | <hr/> 76 |

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND HALF YEAR ENDED 31 MARCH 2021

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 2nd half-year ended 31 March 2021 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 31 March 2021 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.

| Description | Effective for financial year beginning on or after |
|---|---|
| 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 2ND HALF YEAR ENDED 31 MARCH 2021 (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.

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.

A3. SEASONAL OR CYCLICAL FACTORS

The Group's operations were not affected by seasonal or cyclical factors for the financial year ended 31 March 2021.

A4. UNUSUAL ITEMS

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the financial year ended 31 March 2021.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in accounting estimates for the financial year ended 31 March 2021.

A6. DEBT AND EQUITY SECURITIES

On 31 March 2021, the Group has issued of 320,000,000 new Ordinary Shares in the Company at the issue price of RM0.10 per share.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND HALF YEAR ENDED 31 MARCH 2021 (CONT'D)

A7. SEGMENTAL INFORMATION

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

| | INDIVIDUAL 6 MONTHS ENDED | | CUMULATIVE 12 MONTHS ENDED | |
|-----------------------|---------------------------|------------|----------------------------|------------|
| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Charms | 893 | 2,554 | 893 | 6,510 |
| Bracelets | 11 | 339 | 11 | 676 |
| Bangles | 81 | 1,768 | 81 | 4,678 |
| Silver jewelleryes | 2,393 | 139 | 2,889 | 169 |
| 1 gram bullion bar | 17,247 | 1 | 29,745 | 1 |
| Raw gold | - | - | 178 | - |
| Others ⁽¹⁾ | 5 | 1 | 9 | 4 |
| | 20,630 | 4,802 | 33,806 | 12,038 |

Note:

⁽¹⁾ 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 12 MONTHS ENDED | |
|-----------------------|---------------------------|------------|----------------------------|------------|
| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysia | 20,554 | 4,795 | 33,677 | 11,976 |
| Others ⁽¹⁾ | 76 | 7 | 129 | 62 |
| | 20,630 | 4,802 | 33,806 | 12,038 |

Note:

⁽¹⁾ Includes United States of America, United Kingdom, Indonesia, Hong Kong, China and Singapore.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND HALF YEAR ENDED 31 MARCH 2021 (CONT'D)

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

There were no other material events subsequent to the end of the financial period up to the date of this announcement.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

On 31 March 2021, the group had acquired the entire equity interest in PG Jewel Sdn Bhd.

A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

A11. 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

The Group recorded revenue of RM33.8 million and gross profit (“GP”) of RM7.7 million which contributed to 22.6% GP margin for the financial year ended 31 March 2021. The revenue of the Group is mainly derived from the sales of 1 gram bullion bar and silver jewellery, which represented contribution of RM29.7 million and RM2.9 million respectively. The Group recorded a profit before tax (“PBT”) of RM4.1 million for the financial year ended 31 March 2021.

Review of 2nd Half year ended 31 March 2021 vs 2nd Half year ended 31 March 2020

The Group recorded revenue of RM20.6 million for the 2nd half year ended 31 March 2021 as compared to RM4.8 million recorded in the immediate preceding financial period, representing an increase of RM15.8 million or 329%. The increase in revenue was mainly due to increase in sales volume of 1 gram bullion bar.

The Group recorded gross profit of RM5.2 million in 2nd half year ended 31 March 2021, main contribution was from 1 gram bullion bar amounting RM3.4 million (GP margin is 19.5%) and silver jewellery amounting RM1.8 million (GP margin is 74.7%) respectively. Overall, the Group recorded an increase gross profit of RM 3.4 million in 2nd half year ended 31 March 2021 as compared to immediate preceding financial period.

Therefore, the Group recorded a PBT of RM3.6 million in 2nd half year ended 31 March 2021 as compared to RM1.0 million in the immediate preceding financial period, representing an increase of RM2.6 million or 261%. The increase in PBT was mainly due to higher gross profit contribute from 1 gram bullion bar.

B2. PROSPECTS OF THE GROUP

The Group remains committed to continuously design and develop jewellery products and 1 gram bullion bar 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.

**PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS
(CONT'D)**

B2. PROSPECTS OF THE GROUP (CONT'D)

Online stores with e-commerce infrastructure have continued to operate as normal in most markets since 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

Save as disclosed in A9, 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:

| Proposed utilisation | Proposed amount for utilisation | Actual amount utilised as at the date of this report | Balance amount to be utilised | Estimated time frame for utilisation upon listing |
|--------------------------------------|--|---|--------------------------------------|--|
| | RM'000 | RM'000 | RM'000 | |
| 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 |
| Total Proceeds | 3,061 | 1,039 | 2,022 | |

Note:

*Utilisation as at 31 March 2021

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.

C4. DIVIDEND

The Directors did not declare any interim dividend in respect of the financial year ended 31 March 2021.

PART C: OTHER INFORMATION (CONT'D)

C5. 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 12 MONTHS ENDED | |
|--|---------------------------|------------|----------------------------|------------|
| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| Profit attributable to owners of the parent (RM'000) | 2,570 | 711 | 2,705 | 2,012 |
| Weighted average number of ordinary shares ('000) | 626,050 | 275,445 | 626,050 | 275,445 |
| Earnings per share (sen) | 0.41 | 0.26 | 0.43 | 0.73 |

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