



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

UNAUDITED FINANCIAL STATEMENTS FOR THE 1st HALF-YEAR ENDED 30 SEPTEMBER 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 30 SEPTEMBER 2021**

	Unaudited as at 30.09.2021 RM	Audited as at 31.03.2021 RM
ASSETS		
Non-current assets		
Property, plant and equipment	683,620	265,535
Right-of-use assets	16,639	16,639
Other investments	30,000	-
Goodwill	27,027,824	27,027,824
	27,758,083	27,309,998
Current assets		
Inventories	43,131,267	32,943,119
Trade receivables	16,577,517	9,209,417
Non-trade receivables and prepayments	3,264,991	469,531
Cash and bank balances	2,915,403	6,354,319
	65,889,178	48,976,386
TOTAL ASSETS	93,647,261	76,286,384
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	37,814,950	37,814,950
Merger deficit	(1,754,440)	(1,754,440)
Retained earnings	12,111,840	7,232,804
Total equity	48,172,350	43,293,314
Non-current liabilities		
Lease liabilities	226,944	-
Deferred tax liabilities	29,758	29,758
	256,702	29,758

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021 (CONT'D)**

	Unaudited as at 30.09.2021 RM	Audited as at 31.03.2021 RM
Current liabilities		
Trade payables	213,667	70,408
Non-trade payables and accruals	1,495,241	784,904
Amount owing to director	56,075	56,075
Amount owing to related parties	42,436,976	31,368,766
Lease liabilities	110,557	17,818
Tax payable	905,693	665,341
	<u>45,218,209</u>	<u>32,963,312</u>
Total liabilities	45,474,911	32,993,070
TOTAL EQUITY AND LIABILITIES	<u>93,647,261</u>	<u>76,286,384</u>
Net assets per share (sen) *	<u>7.69</u>	<u>6.91</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 ENDED 30 SEPTEMBER 2021**

	Individual 6 months ended		Cumulative 6 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM	RM	RM	RM
Revenue	67,679,901	13,175,552	67,679,901	13,175,552
Cost of sales	(58,933,839)	(10,717,274)	(58,933,839)	(10,717,274)
Gross profit	8,746,062	2,458,278	8,746,062	2,458,278
Other income	19,094	10,606	19,094	10,606
Distribution expenses	(277,603)	(169,570)	(277,603)	(169,570)
Administrative expenses	(2,030,542)	(1,790,368)	(2,030,542)	(1,790,368)
Other expenses	(5,092)	(3,300)	(5,092)	(3,300)
Profit from operations	6,451,919	505,646	6,451,919	505,646
Finance costs	(4,364)	2,891	(4,364)	2,891
Profit before tax	6,447,555	508,537	6,447,555	508,537
Income tax expenses	(1,568,519)	(373,581)	(1,568,519)	(373,581)
Profit from continuing operations	4,879,036	134,956	4,879,036	134,956
Total comprehensive profit for the financial period	4,879,036	134,956	4,879,036	134,956
Profit for the financial period attributable to: Owners of the parent	4,879,036	134,956	4,879,036	134,956
Earnings per share (sen) Basic/Diluted	0.78	0.02	0.78	0.02

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

Attributable to owners of the Company

	Share capital RM	Merger deficit RM	Accumulated profit RM	Total RM
Balance at 1 April 2020	2,754,450	(1,754,440)	4,748,472	5,748,482
Issue of ordinary shares	35,060,500	-	-	35,060,500
Profit for the financial year	-	-	2,484,332	2,484,332
Balance at 31 March 2021	37,814,950	(1,754,440)	7,232,804	43,293,314
Profit for the financial period	-	-	4,879,036	4,879,036
Balance at 30 September 2021	37,814,950	(1,754,440)	12,111,840	48,172,350

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	6 months ended	
	30.09.2021	30.09.2020
	RM	RM
Cash flows from operating activities		
Profit before tax	6,447,555	508,537
Adjustment for :		
Depreciation of property, plant and equipment	69,406	39,136
Amortisation of intangible assets	-	145,385
Gain on disposal of property, plant and equipment	-	(2,734)
Interest income	(4,646)	-
Interest expense	4,364	(2,891)
	<hr/>	<hr/>
Operating profit before working capital changes	6,516,679	687,433
Changes in working capital:		
(Increase) in inventories	(10,188,148)	(1,073,883)
(Increase)/decrease in receivables	(10,163,560)	871,679
Increase in payables	11,921,806	844,202
	<hr/>	<hr/>
Cash generated from operations	(1,913,223)	1,329,431
Interest received	4,646	-
Tax paid	(1,328,168)	(361,439)
	<hr/>	<hr/>
Net cash (used in)/from operating activities	(3,236,745)	967,992

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONT'D)**

	6 months ended	
	30.09.2021	30.09.2020
	RM	RM
Cash flows from investing activities		
Purchases of property, plant and equipment	(487,491)	(11,449)
Proceeds from disposal of property, plant and equipment	-	7,694
Purchases of other investment	<u>(30,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(517,491)</u>	<u>(3,755)</u>
Cash flows from financing activities		
Increase in share capital	-	3,060,500
Finance lease received	350,000	-
Repayment of finance lease liabilities	(30,316)	(4,825)
Interest paid on finance lease liabilities	<u>(4,364)</u>	<u>2,891</u>
Net cash from financing activities	<u>315,320</u>	<u>3,058,566</u>
Net (decrease)/ increase in cash and cash equivalents	(3,438,916)	4,022,803
Cash and cash equivalents at beginning of the financial period	<u>6,354,319</u>	<u>75,920</u>
Cash and cash equivalents at the end of the financial period	<u><u>2,915,403</u></u>	<u><u>4,098,723</u></u>
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	2,915,403	4,098,723
Total cash and cash equivalents	<u><u>2,915,403</u></u>	<u><u>4,098,723</u></u>

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 financial period ended 30 September 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 should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021 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 MFRS, 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 MFRS16, Leases: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures MFRS 4, Insurance Contracts and MFRS 16, Leases: Interest rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 16, Leases: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3, Business Combinations: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116, Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONT'D)

A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Annual Improvements to MFRS 2018 – 2020 cycle	
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
- Amendments to MFRS 9, Financial Instruments	1 January 2022
- Amendments to MFRS 16, Leases	1 January 2022
- Amendments to MFRS 141, Agriculture	1 January 2022
MFRS 17, Insurance Contracts	1 January 2023
Amendments to MFRS 17, Insurance Contracts	1 January 2023
Amendments to MFRS 101, Presentation of Financial Statement: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101, Presentation of Financial Statement: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10, Consolidated Financial Statement and MFRS 128 Investment in Associates and Joint Venture: Sales or Contribution of Assets Between and 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.

A3. SEASONAL OR CYCLICAL FACTORS

The business operations of the Group are 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 FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (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	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Gold bar, Gold coin	50,368	12,498	50,368	12,498
Gold jewelleryes	14,576	-	14,576	-
Silver jewelleryes	2,052	496	2,052	496
Raw gold	-	178	-	178
Accessories and others ⁽¹⁾	684	4	684	4
	<u>67,680</u>	<u>13,176</u>	<u>67,680</u>	<u>13,176</u>

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 6 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	67,668	13,123	67,668	13,123
Others ⁽¹⁾	12	53	12	53
	<u>67,680</u>	<u>13,176</u>	<u>67,680</u>	<u>13,176</u>

Note:

⁽¹⁾ Includes USA, UK, Indonesia, Hong Kong, Middle East (Iran, Qatar), Singapore and Brunei.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONT'D)

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.

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 period.

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

B1. REVIEW OF PERFORMANCE

For the 1st half of the financial period ended 30 September 2021, the Group recorded revenue of RM67.68 million as compared to RM13.17 million revenue in the corresponding financial period ended 30 September 2020. The increase of 413.69% was mainly attributable to the sales of 1 gram bullion gold bar amounting RM50.36 million or 74.42% of total revenue. RM36.73 million or 72.91% of the sales of 1 gram bullion gold bar was contributed by PG Jewel Sdn Bhd which the Group had acquired on 31 March 2021.

The Group recorded an unaudited profit after tax ("**PAT**") of RM4.88 million for the 1st half of the financial period ended 30 September 2021 as compared to RM0.13 million PAT recorded for the corresponding financial period ended 30 September 2020. This is in line with the increase in gross profit of RM6.29 million in current financial period compared to corresponding financial period ended 30 September 2020 due to the higher sales volume of 1 gram bullion gold bar.

B2. PROSPECTS OF THE GROUP

As part of the future plans and business strategies, the Group will continuously market, design and develop gold gram bar and jewellery products that are relevant to its target customer segment. The Group will continuously collaborates with international renowned licensing brands for the development of our collectible gold gram bar. The 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.

The Malaysian Government had gradually eased restrictions and businesses were allowed to be operated under strict standard operating procedures and the economy is showing sign of recovery. Bank Negara Malaysia ("**BNM**") has forecasted its full-year gross domestic product growth for Malaysia to be between 3% to 4% in 2021. BNM expects growth to accelerate in 2022, supported by the reopening of most economic sectors.

Nevertheless, the Group will continuously monitor the impact of COVID-19 on the operations and financial performance and will also take appropriate and timely measures to minimise the impact of the pandemic on the Group's operations.

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

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 financial period under review.

C2. UTILISATION OF PROCEEDS

The status of utilisation of the proceeds, RM3.06 million as at 30 September 2021 are as follow: -

Purposes	Proposed utilisation	Actual utilisation	Reallocation	Proceeds balance	Estimated timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	RM'000	
Opening of new retail concept stores *	1,861	-	(1,861)	-	Within 24 months
Acquisition of raw materials	-	(1,861)	1,861	-	Within 24 months
System upgrade and enhancement	200	(200)	-	-	Within 12 months
Estimated listing expenses	1,000	(1,000)	-	-	Immediately
Total Proceeds	<u>3,061</u>	<u>(3,061)</u>	-	-	

* The unutilised opening of new retail concept stores of RM1.86 million was adjusted to the amount allocated to acquisition of raw materials such as yellow gold.

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. EARNINGS PER SHARE

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

	Individual 6 months ended		Cumulative 6 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Profit attributable to owners of the parent (RM'000)	4,879	135	4,879	135
Weighted average number of ordinary shares ('000)	626,050	581,495	626,050	581,495
Earnings per share (sen)	0.78	0.02	0.78	0.02

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