



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

## **UNAUDITED FINANCIAL STATEMENTS FOR THE 2<sup>nd</sup> HALF-YEAR ENDED 31 MARCH 2022**

**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 2022**

	<b>Unaudited as at 31.03.2022 RM'000</b>	<b>Audited as at 31.03.2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,743	265
Right-of-use assets	83	17
Other investments	30	-
Goodwill	27,028	27,028
	28,884	27,310
<b>Current assets</b>		
Inventories	27,578	32,943
Trade receivables	1,597	9,209
Non-trade receivables and prepayments	2,791	470
Amount owing from related parties	4,819	-
Cash and bank balances	6,882	6,354
	43,667	48,976
<b>TOTAL ASSETS</b>	72,551	76,286
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	37,815	37,815
Merger deficit	(1,754)	(1,754)
Retained earnings	16,555	7,232
<b>Total equity</b>	52,616	43,293
<b>Non-current liabilities</b>		
Finance lease liabilities	52	-
Hire purchase liabilities	243	-
Deferred tax liabilities	30	30
	325	30

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 31 MARCH 2022 (CONT'D)**

	<b>Unaudited as at 31.03.2022 RM'000</b>	<b>Audited as at 31.03.2021 RM'000</b>
<b>Current liabilities</b>		
Trade payables	175	70
Non-trade payables and accruals	1,045	785
Amount owing to director	-	56
Amount owing to related parties	17,759	31,369
Finance lease liabilities	32	18
Hire purchase liabilities	122	-
Tax payable	477	665
	<u>19,610</u>	<u>32,963</u>
<b>Total liabilities</b>	<u>19,935</u>	<u>32,993</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>72,551</u></u>	<u><u>76,286</u></u>
<b>Net assets per share (sen) *</b>	<u>8.40</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 YEAR ENDED 31 MARCH 2022**

	Individual 6 months ended		Cumulative 12 months ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	60,139	20,630	127,819	33,806
Cost of sales	(51,327)	(15,437)	(110,261)	(26,154)
Gross profit	8,812	5,193	17,558	7,652
Other income	23	6	42	20
Distribution expenses	(17)	(235)	(295)	(405)
Administrative expenses	(2,779)	(1,388)	(4,810)	(3,179)
Other expenses	(5)	(16)	(10)	(19)
Net loss on impairment of financial assets	-	(268)	-	(268)
Profit from operations	6,034	3,292	12,485	3,801
Finance costs	(10)	-	(14)	-
Profit before tax	6,024	3,292	12,471	3,801
Income tax expenses	(1,579)	(943)	(3,148)	(1,317)
Profit from continuing operations	4,445	2,349	9,323	2,484
Total comprehensive profit for the financial period/year	4,445	2,349	9,323	2,484
Profit for the financial period/year attributable to:				
Owners of the parent	4,445	2,349	9,323	2,484
Earnings per share (sen)				
Basic/Diluted	0.71	0.38	1.49	0.40

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**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 1 April 2020	2,754	(1,754)	4,748	5,748
Issue of ordinary shares	35,061	-	-	35,061
Profit for the financial year	-	-	2,484	2,484
Balance at 31 March 2021	37,815	(1,754)	7,232	43,293
Profit for the financial year	-	-	9,323	9,323
Balance at 31 March 2022	37,815	(1,754)	16,555	52,616

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	<b>Unaudited 31.03.2022 RM'000</b>	<b>Audited 31.03.2021 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	12,471	3,801
Adjustment for :		
Depreciation of right-of-use assets	33	138
Depreciation of property, plant and equipment	208	78
Impairment loss on trade receivables	-	268
Property, plant and equipment written off	-	265
Gain on disposal of property, plant and equipment	-	(3)
Interest income	(7)	(7)
Interest expense	14	-
	<hr/>	<hr/>
Operating profit before working capital changes	12,719	4,540
<b>Changes in working capital:</b>		
Decrease/(Increase) in inventories	5,366	(633)
Decrease/(Increase) in receivables	472	(1,982)
Increase in payables	365	211
	<hr/>	<hr/>
Cash generated from operations	18,922	2,136
Interest received	7	7
Tax paid	(3,725)	(965)
Tax refund	388	-
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>15,592</b>	<b>1,178</b>

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)**

	<b>Unaudited 31.03.2022 RM'000</b>	<b>Audited 31.03.2021 RM'000</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,686)	(37)
Acquisition of investment in subsidiary	-	(31,690)
Proceeds from disposal of property, plant and equipment	-	8
Purchases of other investment	(30)	-
(Payment to)/Repayment from related parties	(13,610)	1,930
	<u>(15,326)</u>	<u>(29,789)</u>
<b>Net cash used in investing activities</b>		
<b>Cash flows from financing activities</b>		
Increase in share capital	-	35,061
Hire purchase loan received	450	-
Repayment to director	(56)	(29)
Repayment of finance lease liabilities	(33)	(143)
Repayment of hire purchase liabilities	(85)	-
Interest paid	(14)	-
	<u>262</u>	<u>34,889</u>
<b>Net cash from financing activities</b>		
Net increase in cash and cash equivalents	528	6,278
Cash and cash equivalents at beginning of the financial year	<u>6,354</u>	<u>76</u>
<b>Cash and cash equivalents at the end of the financial year</b>	<u><u>6,882</u></u>	<u><u>6,354</u></u>
<b>Cash and cash equivalents at the end of the financial year comprises:</b>		
Cash and bank balances	2,982	6,354
Fixed deposit	<u>3,900</u>	<u>-</u>
Total cash and cash equivalents	<u><u>6,882</u></u>	<u><u>6,354</u></u>

## **PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

### **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 year ended 31 March 2022 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 Company have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

These financial statements are presented in the Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

#### **(a) Standards issued and effective**

On 1 April 2021, the Company has adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2021:

##### **Description**

- 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
- Amendments to MFRS 16, *Leases: Covid-19-Related Rent Concessions*
- Amendments to MFRS 16, *Leases: Covid-19-Related Rent Concessions beyond 30 June 2021*

The directors expect that the adoption of the new and amended MFRS above have no impact on the financial statements of the Company.



**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)**

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

**(b) Standards issued but not yet effective**

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
• Amendments to MFRS 3, <i>Business Combinations</i> : Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 116, <i>Property, Plant and Equipment</i> : Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
• Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets</i> : Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
• Annual improvements to MFRSs 2018 - 2020 cycle	
- Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2022
- Amendments to MFRS 9, <i>Financial Instruments</i>	1 January 2022
- Amendments to MFRS 16, <i>Leases</i>	1 January 2022
- Amendments to MFRS 141, <i>Agriculture</i>	1 January 2022
• MFRS 17, <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 17, <i>Insurance Contracts</i>	1 January 2023
• Amendment to MFRS 17 <i>Insurance Contracts</i> : Initial Application of MFRS 17 and MFRS 9—Comparative Information	1 January 2023
• Amendments to MFRS 101, <i>Presentation of Financial Statements</i> : Classifications of Liabilities as Current or Non-current	1 January 2023
• Amendments to MFRS 101, <i>Presentation of Financial Statements</i> : Disclosure of Accounting Policies	1 January 2023
• Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
• Amendments to MFSR 112, <i>Income Tax</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
• Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investment in Associate and Joint Ventures: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impact to the financial statements of the Company.

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)**

**A3. SEASONAL OR CYCLICAL FACTORS**

The business operations of the Group are not affected by seasonal or cyclical factors for the current financial period and financial year end 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 and financial year end under review.

**A5. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in accounting estimates in the current financial period and financial year end under review.

**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 and financial year end under review.

**A7. SEGMENTAL INFORMATION**

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

	Individual 6 months ended		Cumulative 12 months ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Gold bar, Gold coin	42,388	17,247	92,756	29,745
Gold jewelleryes	14,092	985	28,668	985
Silver jewelleryes	2,761	2,393	4,813	2,889
Raw gold	-	-	-	178
Accessories and others <sup>(1)</sup>	898	5	1,582	9
	<u>60,139</u>	<u>20,630</u>	<u>127,819</u>	<u>33,806</u>

**Note:**

<sup>(1)</sup> Includes accessories, repair, e-fulfilment charges.

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)**

**A7. SEGMENTAL INFORMATION (CONT'D)**

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

	Individual 6 months ended		Cumulative 12 months ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Malaysia	59,950	20,554	127,001	33,677
Others <sup>(1)</sup>	189	76	818	129
	60,139	20,630	127,819	33,806

**Note:**

<sup>(1)</sup> Includes USA, Indonesia, China, Australia, Philippines, Singapore and Brunei.

**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 year.

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

### **B1. REVIEW OF PERFORMANCE**

For the 2nd half of the financial period ended 31 March 2022, the Group recorded revenue of RM60.14 million as compared to RM20.63 million revenue in the corresponding financial period ended 31 March 2021. The increase of 191.52% was mainly attributable to the sales of 1 gram bullion gold bar amounting to RM42.39 million or 70.48% of total revenue. RM32.13 million or 75.79% 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.

For the financial year ended 31 March 2022, the total revenue increased by RM94.01 million or 278.09% to RM127.82 million as compared to RM33.81 million for the financial year ended 31 March 2021. The increase in revenue was due to the significant increase in sales volume of 1 gram bullion gold bar.

The Group's gross profit increased by 129.45% to RM17.56 million in the financial year ended 31 March 2022 as compared to the previous financial year ended 31 March 2021 mainly due to higher demand of gold gram bar and the contribution by PG Jewel Sdn Bhd.

The Group recorded an unaudited profit after tax ("**PAT**") of RM9.32 million for the financial year ended 31 March 2022 as compared to RM2.48 million PAT recorded for the financial year ended 31 March 2021. The increase in PAT was mainly due to significant contribution from PG Jewel Sdn Bhd. This is in line with the increase in gross profit of RM9.91 million in current financial year compared to corresponding financial year ended 31 March 2021 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 design, develop and market gold gram bar and jewellery products that are relevant to the target customers segment. The Group will continuously collaborate with internationally renowned brands for the development of our licensed collectible gold gram bar. The product development 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 re-opening of the economy in Malaysia as well as overseas, we expect the Group's business activities to pick up. However, the Russian-Ukraine conflict and lockdown in China has affected global commodity markets, particularly with supply chain disruptions and global price inflation. While there may be downside risks to the recovery due to rising inflationary expectations caused by the on-going supply chain disruptions, the Group is actively managing these risks.

Barring any unforeseen circumstances, the Group anticipates continued growth in business potentials.

**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 year under review.

**C2. 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.

**C3. EARNINGS PER SHARE**

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

<b>Individual 6 months ended</b>		<b>Cumulative 12 months ended</b>	
<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2022</b>	<b>31.03.2021</b>

Profit attributable to owners of the parent (RM'000)	4,445	2,349	9,323	2,484
Weighted average number of ordinary shares ('000)	626,050	626,050	626,050	626,050
Earnings per share (sen)	0.71	0.38	1.49	0.40

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