



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

## **UNAUDITED FINANCIAL STATEMENTS FOR THE 1<sup>st</sup> HALF-YEAR ENDED 30 SEPTEMBER 2023**

**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 2023**

	<b>Unaudited as at 30.09.2023 RM'000</b>	<b>Audited as at 31.03.2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,507	1,175
Right-of-use assets	588	676
Goodwill	27,028	27,028
	<u>29,123</u>	<u>28,879</u>
<b>Current assets</b>		
Inventories	21,537	23,252
Trade receivables	7,320	3,533
Non-trade receivables, deposits and prepayments	2,025	4,717
Amount due from related parties	10	-
Cash and bank balances	13,891	21,560
Tax recoverable	1,295	500
	<u>46,078</u>	<u>53,562</u>
<b>TOTAL ASSETS</b>	<u>75,201</u>	<u>82,441</u>
<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	24,165	22,505
<b>Total equity</b>	<u>60,226</u>	<u>58,566</u>
<b>Non-current liabilities</b>		
Lease liabilities	170	298
Deferred tax liabilities	159	159
	<u>329</u>	<u>457</u>

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 30 SEPTEMBER 2023 (CONT'D)**

	<b>Unaudited as at 30.09.2023 RM'000</b>	<b>Audited as at 31.03.2023 RM'000</b>
<b>Current liabilities</b>		
Trade payables	13,610	20,412
Non-trade payables and accruals	804	2,836
Amount owing to related parties	20	10
Lease liabilities	212	148
Tax payable	-	12
	<u>14,646</u>	<u>23,418</u>
<b>Total liabilities</b>	<u>14,975</u>	<u>23,875</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>75,201</u></u>	<u><u>82,441</u></u>
<b>Net assets per share (sen) *</b>	<u>9.62</u>	<u>9.35</u>

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

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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	Individual 6 months ended		Cumulative 6 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	59,358	68,488	59,358	68,488
Cost of sales	(54,020)	(60,706)	(54,020)	(60,706)
Gross profit	5,338	7,782	5,338	7,782
Other income	50	54	50	54
Distribution expenses	(57)	(96)	(57)	(96)
Administrative expenses	(3,158)	(3,001)	(3,158)	(3,001)
Other expenses	17	(2)	17	(2)
Profit from operations	2,190	4,737	2,190	4,737
Finance costs	(9)	(11)	(9)	(11)
Profit before tax	2,181	4,726	2,181	4,726
Income tax expenses	(521)	(1,151)	(521)	(1,151)
Profit from continuing operations	1,660	3,575	1,660	3,575
Total comprehensive profit for the financial period	1,660	3,575	1,660	3,575
Profit for the financial period attributable to: Owners of the parent	1,660	3,575	1,660	3,575
Earnings per share (sen) Basic/Diluted	0.27	0.57	0.27	0.57

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

**Attributable to owners of the Company**

	<b>Share capital RM'000</b>	<b>Merger deficit RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total RM'000</b>
Balance at 1 April 2022	37,815	(1,754)	16,788	52,849
Profit for the financial year	-	-	6,969	6,969
Dividend declared			(1,252)	(1,252)
Balance at 31 March 2023	37,815	(1,754)	22,505	58,566
Profit for the financial period	-	-	1,660	1,660
Balance at 30 September 2023	<u>37,815</u>	<u>(1,754)</u>	<u>24,165</u>	<u>60,226</u>

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**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	<b>6 months period ended</b>	
	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	2,181	4,726
Adjustment for:		
Depreciation of property, plant and equipment	125	116
Depreciation of right-of-use assets	89	84
Interest income	(49)	(26)
Interest expense	9	11
	2,355	4,911
Operating profit before working capital changes	2,355	4,911
<b>Changes in working capital:</b>		
Decrease/(increase) in inventories	1,715	(11,031)
Increase in receivables	(1,105)	(1,531)
(Decrease)/increase in payables	(8,835)	7,647
	(5,870)	(4)
Cash generated from operations	(5,870)	(4)
Interest received	49	26
Tax refund	65	52
Tax paid	(1,393)	(1,703)
	(7,149)	(1,629)
<b>Net cash used in operating activities</b>	<b>(7,149)</b>	<b>(1,629)</b>

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONT'D)**

	<b>6 months ended</b>	
	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(457)	(399)
Net changes in fixed deposit	-	2,700
Repayment from related parties	10	114
<b>Net cash (used in)/from investing activities</b>	<u>(447)</u>	<u>2,415</u>
<b>Cash flows from financing activities</b>		
Drawdown of lease liabilities	-	180
Repayment of lease liabilities	(64)	(74)
Interest paid	(9)	(11)
<b>Net cash (used in)/from financing activities</b>	<u>(73)</u>	<u>95</u>
Net (decrease)/increase in cash and cash equivalents	(7,669)	881
Cash and cash equivalents at beginning of the financial period	<u>21,560</u>	<u>2,982</u>
<b>Cash and cash equivalents at the end of the financial period</b>	<u><u>13,891</u></u>	<u><u>3,863</u></u>
<b>Cash and cash equivalents at the end of the financial period comprises:</b>		
Cash and bank balances	<u><u>13,891</u></u>	<u><u>3,863</u></u>

## **PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

### **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 2023 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 2023 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 Malaysian Financial Reporting Standards (“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 January 2022, the Group has adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2022:

##### **Description**

- Amendments to MFRS 3, *Business Combinations*: Reference to the Conceptual Framework
- Amendments to MFRS 116, *Property, Plant and Equipment*: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements to MFRSs 2018 - 2020 cycle
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 16, *Leases*
  - Amendments to MFRS 141, *Agriculture*

The adoption of the above new standard and amendments is not expected to have significant impact on the financial position and financial performance of the Group.



**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONT'D)**

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

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

The Group 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 16, <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 101, <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
• Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures</i> – Supplier Finance Arrangements	1 January 2024
• Amendments to MFRS 121, <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025
• Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investment in Associate and Joint Ventures</i> : 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 Group.

**A3. SEASONAL OR CYCLICAL FACTORS**

The Group's business traditionally picks up during the major festive seasons in Malaysia.

**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 under review.

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (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	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Gold bar, Gold coin	49,125	57,817	49,125	57,817
Gold jewelleryes	7,000	8,010	7,000	8,010
Silver jewelleryes	1,920	1,691	1,920	1,691
Accessories and others <sup>(1)</sup>	1,313	970	1,313	970
	<u>59,358</u>	<u>68,488</u>	<u>59,358</u>	<u>68,488</u>

**Note:**

<sup>(1)</sup> Include accessories, repair and provision of packaging services.

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

	Individual 6 months ended		Cumulative 6 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	59,302	68,264	59,302	68,264
Others <sup>(1)</sup>	56	224	56	224
	<u>59,358</u>	<u>68,488</u>	<u>59,358</u>	<u>68,488</u>

**Note:**

<sup>(1)</sup> Include USA, Indonesia, United Kingdom, Singapore, Germany, Taiwan and Brunei.

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (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.

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

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

The Group's revenue for the 1st half under review was lower at RM59.36 million as compared to the revenue of RM68.49 million in the corresponding financial period ended 30 September 2022, a decrease of RM9.13 million. This is due to a weak market sentiment and decrease in consumer spending power in Q1 and Q2, 2023 amid inflationary environment causing interest rates hike. However, the Group potentially foresee the demand for gold and other gold products and services will rise as the government's pragmatic policies to grow the economy. This is because gold had long been a safe asset due to its function as a store of value.

(Source: The Edge Malaysia, 16 Feb 2023)

The Group registered an unaudited profit after tax of RM1.66 million for the 1st half under review, a decrease of RM1.91 million as compared to profit after tax of RM3.58 million recorded in the corresponding financial period ended 30 September 2022. The decrease was due to higher gold price which caused an increase in the cost of raw material and higher staff costs due to the Group's business expansion plan. The Group will uphold and honour financial obligations and evaluate performance on a continuous basis as the Group's corporate objective and mission is to expand its business internationally.

### **B2. PROSPECTS OF THE GROUP**

Bank Negara Malaysia ("**BNM**") has projected the Malaysian economy to grow between 4% and 5% in 2023 supported by firm domestic demand. Therefore, growth will moderate in 2023 (2022: 8.7%). Nevertheless, Malaysia's household spending is expected to grow by 5.0% year-on-year (y-o-y) in 2023 and will continue its steady growth towards 2024 as the economic recovery feeds through into strong real consumer spending. Therefore, BMI, a Fitch Solutions company, forecasts inflation will trend downwards in 2H 2023, ending 2023 at 2.5% y-o-y and averaging 2.3% over 2024. To ensure the Group stays competitive, it is important to continuously establish a new business area where new direct customers channels can reach out to younger generations through online platforms where market sentiment is stronger.

(Source: BNM's Economy and Monetary Review 2022)

As the demand for luxury products increased, the Group will focus on quality, modernisation of design, promote and build brand awareness by attracting more customers. The Group will continue to collaborate with international renowned brands for special development licensing design and collections of gram bar to stay competitive. The Group's product development team will work closely with third party manufacturers with exclusive design for the development of our jewellery products and to expand the business globally with innovative and latest trends.

**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.

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**PART C – OTHER INFORMATION**

**C1. STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals announced but pending completion as at the date of this report.

**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 6 months ended</b>	
	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
Profit attributable to owners of the parent (RM'000)	1,660	3,575	1,660	3,575
Weighted average number of ordinary shares ('000)	626,050	626,050	626,050	626,050
Earnings per share (sen)	0.27	0.57	0.27	0.57

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

**C4. DIVIDEND**

There is no dividend declared or proposed as at the date of this report.