



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

UNAUDITED FINANCIAL STATEMENTS FOR THE 2nd HALF-YEAR ENDED 31 MARCH 2024

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 2024**

	Unaudited as at 31.03.2024 RM'000	Audited as at 31.03.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,478	1,175
Right-of-use assets	466	676
Goodwill	27,028	27,028
	28,972	28,879
Current assets		
Inventories	30,843	23,252
Trade receivables	6,401	3,533
Non-trade receivables, deposits and prepayments	1,280	4,717
Fixed deposits with licensed banks	5,010	-
Cash and bank balances	7,560	21,560
Tax recoverable	1,708	500
	52,802	53,562
TOTAL ASSETS	81,774	82,441
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	37,815	37,815
Merger deficit	(1,754)	(1,754)
Retained earnings	25,473	22,505
Total equity	61,534	58,566
Non-current liabilities		
Lease liabilities	170	298
Deferred tax liabilities	159	159
	329	457

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024 (CONT'D)**

	Unaudited as at 31.03.2024 RM'000	Audited as at 31.03.2023 RM'000
Current liabilities		
Trade payables	17,120	20,412
Non-trade payables and accruals	2,653	2,836
Amount owing to related parties	13	10
Lease liabilities	125	148
Tax payable	-	12
	<u>19,911</u>	<u>23,418</u>
Total liabilities	<u>20,240</u>	<u>23,875</u>
TOTAL EQUITY AND LIABILITIES	<u>81,774</u>	<u>82,441</u>
Net assets per share (sen) *	<u>9.83</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 YEAR ENDED 31 MARCH 2024**

	Individual 6 months ended		Cumulative 12 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	59,576	90,731	118,934	159,219
Cost of sales	(53,656)	(83,230)	(107,676)	(143,936)
Gross profit	5,920	7,501	11,258	15,283
Other income	53	74	120	128
Distribution expenses	(2,147)	(2,055)	(2,204)	(2,151)
Administrative expenses	(1,698)	(1,058)	(4,856)	(4,059)
Net, reversal on impairment of financial assets	-	15	-	15
Other expenses	(12)	-	(12)	(2)
Profit from operations	2,116	4,477	4,306	9,214
Finance costs	(10)	(15)	(19)	(26)
Profit before tax	2,106	4,462	4,287	9,188
Income tax expenses	(798)	(1,068)	(1,319)	(2,219)
Profit from continuing operations	1,308	3,394	2,968	6,969
Total comprehensive profit for the financial period	1,308	3,394	2,968	6,969
Profit for the financial period attributable to: Owners of the parent	1,308	3,394	2,968	6,969
Earnings per share (sen) Basic/Diluted	0.21	0.54	0.47	1.11

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

Attributable to owners of the Company

	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000
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 year	-	-	2,968	2,968
Balance at 31 March 2024	37,815	(1,754)	25,473	61,534

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**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	Unaudited 31.03.2024 RM'000	Audited 31.03.2023 RM'000
Cash flows from operating activities		
Profit before tax	4,287	9,188
Adjustment for:		
Depreciation of property, plant and equipment	275	236
Depreciation of right-of-use assets	211	206
Property, plant and equipment written off	-	4
Reversal of impairment on trade receivables	-	(15)
Interest income	19	26
Interest expense	(96)	(56)
Operating profit before working capital changes	4,696	9,589
Changes in working capital:		
(Increase)/decrease in inventories	(7,591)	4,325
Decrease in receivables	570	3,127
(Decrease)/increase in payables	(3,476)	3,131
Cash (used in)/generated from operations	(5,801)	20,172
Interest received	96	56
Tax refund	65	52
Tax paid	(2,604)	(3,096)
Net cash (used in)/from operating activities	(8,244)	17,184

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D)**

	Unaudited 31.03.2024 RM'000	Audited 31.03.2023 RM'000
Cash flows from investing activities		
Acquisition of property, plant and equipment	(578)	(179)
Acquisition of right-of-use assets	-	(112)
Net changes in fixed deposit	(5,010)	3,900
Repayment from/(to) related parties	3	(2,006)
Net cash (used in)/from investing activities	<u>(5,585)</u>	<u>1,603</u>
Cash flows from financing activities		
Repayment of lease liabilities	(152)	(183)
Interest paid	(19)	(26)
Net cash used in financing activities	<u>(171)</u>	<u>(209)</u>
Net (decrease)/increase in cash and cash equivalents	(14,000)	18,578
Cash and cash equivalents at beginning of the financial year	<u>21,560</u>	<u>2,982</u>
Cash and cash equivalents at the end of the financial year	<u><u>7,560</u></u>	<u><u>21,560</u></u>
Cash and cash equivalents at the end of the financial year comprises:		
Cash and bank balances	<u><u>7,560</u></u>	<u><u>21,560</u></u>

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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 2024 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 April 2023, the Group has adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2023:

Description

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts*
- Amendment to MFRS 17, *Insurance Contracts*: Initial Application of MFRS 17 and MFRS 9—Comparative Information
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates
- Amendments to MFSR 112, *Income Tax*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 YEAR ENDED 31 MARCH 2024 (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:

Description	Effective for annual periods beginning on or after
• 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 YEAR ENDED 31 MARCH 2024 (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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Gold bar, Gold coin	54,293	78,897	103,418	136,714
Gold jewelleryes	2,080	10,898	9,080	18,908
Silver jewelleryes	1,869	283	3,789	1,974
Accessories and others ⁽¹⁾	1,334	653	2,647	1,623
	59,576	90,731	118,934	159,219

Note:

⁽¹⁾ 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 12 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	59,522	90,414	118,824	158,678
Others ⁽¹⁾	54	317	110	541
	59,576	90,731	118,934	159,219

Note:

⁽¹⁾ Include USA, Indonesia, United Kingdom, Singapore, Germany, Taiwan and Brunei.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (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 2nd half under review was lower at RM59.57 million as compared to the revenue of RM90.73 million in the corresponding financial period ended 31 March 2023, a decrease of RM31.16 million. This is due to a weak market sentiment and decrease in demand of gold bar products during the half-yearly under review.

The Group registered an unaudited profit after tax of RM1.31 million for the 2nd half under review, a decrease of RM2.08 million as compared to profit after tax of RM3.39 million recorded in the corresponding financial period ended 31 March 2023. The decrease was mainly attributable to fluctuations of gold price, escalating packaging cost affecting the gross margins of its products and preparation for new product launches.

B2. PROSPECTS OF THE GROUP

The Russia-Ukraine war has brought an adverse impact to global economy, and the business prospect for 2024 remain ambiguous. While the Malaysian economy is expected to grow moderately supported by domestic demand, and the demand for gold related product and services are expected to rise as the government's pragmatic policies to grow the economy.

As the demand for gold related product and services are expected to rise, 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:

	Individual 6 months ended		Cumulative 12 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit attributable to owners of the parent (RM'000)	1,308	3,394	2,968	6,969
Weighted average number of ordinary shares ('000)	626,050	626,050	626,050	626,050
Earnings per share (sen)	0.21	0.54	0.47	1.11

- (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.