

**AURORA ITALIA INTERNATIONAL BERHAD**  
Registration No.: 201801037877 (1299907-T)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2021

**AURORA ITALIA INTERNATIONAL BERHAD**  
Registration No.: 201801037877 (1299907-T)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

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**DIRECTORS' REPORT**

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

**Principal activities**

The Company is principally involved in investment holding. The principal activities of the subsidiaries are as disclosed in Note 12 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

**Results**

	<b>Group RM</b>	<b>Company RM</b>
Profit for the financial year	<u>2,484,332</u>	<u>467,785</u>
<b>Attributable to:</b>		
Owners of the parent	<u>2,484,332</u>	

**Reserves and provisions**

There were no material transfers to or from reserves and provisions during the financial year.

**Dividends**

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any final dividend for the financial year ended 31 March 2021.

**Directors**

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datin Wira Lim Chee Ting  
Dato' Wira Ng Chun Hau  
Mirzan Bin Mahathir  
Lim Say Leong

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**Directors (continued)**

The names of the directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who are already listed above are:

Ng Jing Chia

**Directors' interest in shares**

The shareholdings in the Ordinary Shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were directors at the end of the financial year, as recorded in Register of Director's Shareholding kept by the Company and the related corporation respectively under Section 59 of the Companies Act, 2016 in Malaysia were as follows:

	Number of Ordinary Shares			Balance as at 31.3.2021
	Balance as at 1.4.2020	Bought	Sold	
<b>In the Company</b>				
<b>Direct interest</b>				
Datin Wira Lim Chee Ting	97,216,000	-	-	97,216,000
Dato' Wira Ng Chun Hau	129,621,000	128,000,000	-	257,621,000
Mirzan Bin Mahathir	48,608,000	-	-	48,608,000
<b>Indirect interest</b>				
Datin Wira Lim Chee Ting	129,621,000	320,000,000	-	449,621,000
Dato' Wira Ng Chun Hau	97,216,000	192,000,000	-	289,216,000

By virtue of their interests in the shares of the Company and the related corporation, the abovementioned directors are also deemed to be interested in the shares of all the related corporations of the Company to the extent that the Company and the related corporation respectively have an interest.

None of the other directors in office at the end of the financial year had any interest in shares of the Company and its related companies during the financial year.

**Directors' benefits**

Since the end of the previous financial year, no director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the directors or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than as disclosed in Note 28 to the financial statements.

There were no arrangements during or at the end of the financial year, which had the object of enabling the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

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**Directors' remuneration and fee**

Directors' remuneration of the Group and of the Company amounted to RM235,105 and RM143,416 respectively as disclosed in Note 5 to the financial statements.

Directors' fee of the Group and of the Company are amounted to RM126,000 respectively as disclosed in Note 5 to the financial statements.

**Indemnity and insurance for directors, officers and auditor**

There was no indemnity given to or insurance effected for any director, officer or auditor of the Group and of the Company.

**Issue of shares and debentures**

During the financial year, the Company increased its share capital from 275,445,000 ordinary shares to 306,050,000 ordinary shares by issuance of additional 30,605,000 ordinary shares at RM0.10 each on 20 July 2020.

On 31 March 2021, the Company increase its share capital from 306,050,000 ordinary shares to 626,050,000 ordinary shares by issuance of additional 320,000,000 ordinary shares at RM0.10 each.

The ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

There were no debentures issued during the financial year.

**Options granted over unissued shares**

No options were granted to any person to take up unissued shares of the Company during the financial year.

**Other statutory information**

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts and that adequate provision had been made for doubtful debts; and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realised.

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**Other statutory information (continued)**

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts inadequate to any substantial extent; or
- (ii) which would render the value attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 March 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

**Significant events during the financial year**

Details of significant events during the financial year are disclosed in Note 31 to the financial statements.

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**Auditors**

The auditors, Messrs PKF, have indicated their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for financial year ended 31 March 2021 amounted to RM38,500 and RM15,000 respectively.

Signed on behalf of the Directors  
in accordance with a resolution of the Board,

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DATO' WIRA NG CHUN HAU

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DATIN WIRA LIM CHEE TING

Penang

27 August 2021

**AURORA ITALIA INTERNATIONAL BERHAD**  
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**STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT,  
2016 IN MALAYSIA**

In the opinion of the Directors, the accompanying financial statements as set out on pages 12 to 64 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021 and of their financial performance and their cash flows for the financial year ended on that date.

Signed on behalf of the Directors  
in accordance with a resolution of the Board,

\_\_\_\_\_  
DATO' WIRA NG CHUN HAU

\_\_\_\_\_  
DATIN WIRA LIM CHEE TING

Penang

27 August 2021

**STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT,  
2016 IN MALAYSIA**

I, DATIN WIRA LIM CHEE TING, being the Director primarily responsible for the financial management of AURORA ITALIA INTERNATIONAL BHD., do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements as set out on pages 12 to 64 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

Subscribed and solemnly declared by the )  
above-named at GEORGETOWN in the )  
State of PENANG on 27 August 2021 )

\_\_\_\_\_  
DATIN WIRA LIM CHEE TING

Before me,

\_\_\_\_\_  
NAUSHAD BIN NOOR ALI (NO. P171)  
COMMISSIONER FOR OATHS



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF AURORA ITALIA INTERNATIONAL BERHAD**  
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**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of AURORA ITALIA INTERNATIONAL BERHAD, which comprise the statements of financial position as at 31 March 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 64.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

***Basis for Opinion***

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF AURORA ITALIA INTERNATIONAL BERHAD**  
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**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Valuation of Goodwill**

*(Refer to Note 2(h) and Note 13 to the financial statements)*

As a result of the acquisition of PG Jewel Sdn. Bhd. ("PGJ") in March 2021, Goodwill on Consolidation was measured at the fair value of the existing equity interest in the PGJ less the net recognised amount of the identifiable assets acquired and liabilities assumed. Goodwill of RM27,027,824 was recognised on consolidation.

According to MFRS 136, Impairment of Assets, require to test goodwill acquired in business combination for impairment annually.

The assets' recoverable amount are compared with their carrying amount. The recoverable amounts are determined by cash flow projection of the respective cash-generating unit ("CGU") to support the value-in-use calculation. The cash flow projection are based on assumptions using management's estimation and judgement which is inherently uncertain.

The Directors' have made assessment of the recoverable amounts of goodwill base on its value in used and have concluded that no impairment is required

Our procedures included:

- (a) Made enquiries with the appropriate personnel to evaluate the basis of the cash flow projections.
- (b) Gained an understanding of the business model that the Directors are pursuing, including obtained evidences based on past experiences.
- (c) Evaluated the appropriateness of the methodology used in estimating value-in-use as part of our procedures.
- (d) Critically challenged the key estimates and assumptions used including performed sensitivity analysis around the key drivers of the cash flow projections in particular, the revenue and cost estimation and also verified the discount rate used against independent sources.
- (e) Evaluated the disclosures made in the notes to the financial statements, including the judgements and the uncertainties.
- (f) Discussed the issues relating to the impairment assessment with the Directors.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF AURORA ITALIA INTERNATIONAL BERHAD**  
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***Information Other than the Financial Statements and Auditors' Report Thereon***

The Directors are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified and, in doing so, consider whether the information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the Directors for the Financial Statements***

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

1. This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The comparative figures were audited by another firm of auditors who expressed an unmodified opinion on those statements on 22 June 2020.

PKF  
AF 0911  
CHARTERED ACCOUNTANTS

NGU SIOW PING  
03033/11/2021 J  
CHARTERED ACCOUNTANT

Penang

27 August 2021

**AURORA ITALIA INTERNATIONAL BERHAD**  
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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	3	33,805,858	12,037,972	2,224,000	-
Cost of sales		(26,153,876)	(7,150,824)	-	-
<b>Gross profit</b>		7,651,982	4,887,148	2,224,000	-
Other income	4	19,993	669	4,289	-
Distribution expenses		(405,391)	(605,487)	-	(52,109)
Administrative expenses		(3,178,207)	(1,535,390)	(1,760,504)	-
Other expenses		(18,560)	(24,199)	-	-
Net loss on impairment of financial assets		(268,059)	-	-	-
<b>Profit/(Loss) from operations</b>		3,801,758	2,722,741	467,785	(52,109)
Finance costs	6	-	(15,218)	-	-
<b>Profit before tax</b>	7	3,801,758	2,707,523	467,785	(52,109)
Tax expense	8	(1,317,426)	(695,746)	-	-
<b>Profit/(Loss) from continuing operations</b>		2,484,332	2,011,777	467,785	(52,109)
<b>Total comprehensive profit for the financial year</b>		2,484,332	2,011,777		
<b>Profit for the year attributable to:</b>					
Owners of the parent		2,484,332	2,011,777		
<b>Total comprehensive profit attributable to:</b>					
Owners of the parent		2,484,332	2,011,777		
<b>Earning per share:</b>					
Basic/Diluted (sen per share)	9	0.40	0.73		

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**STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021**

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	265,535	460,926	23,316	-
Right-of-use assets	11	16,639	154,362	-	-
Investments in subsidiaries	12	-	-	34,754,440	2,754,440
Goodwill	13	27,027,824	-	-	-
		<u>27,309,998</u>	<u>615,288</u>	<u>34,777,756</u>	<u>2,754,440</u>
<b>Current assets</b>					
Inventories	14	32,943,119	1,731,869	-	-
Trade receivables	15	9,209,417	2,722,523	-	-
Non-trade receivables and prepayments	16	469,531	1,237,114	1,800,000	18,500
Amount due from related parties	17	-	16,410	-	-
Cash and bank balances	18	6,354,319	75,920	1,871,297	10
		<u>48,976,386</u>	<u>5,783,836</u>	<u>3,671,297</u>	<u>18,510</u>
<b>TOTAL ASSETS</b>		<u><u>76,286,384</u></u>	<u><u>6,399,124</u></u>	<u><u>38,449,053</u></u>	<u><u>2,772,950</u></u>
<b>EQUITY AND LIABILITIES</b>					
Equity attributable to owners of the parent					
Share capital	19	37,814,950	2,754,450	37,814,950	2,754,450
Merger deficit		(1,754,440)	(1,754,440)	-	-
Retained earnings/ (accumulated losses)	20	7,232,804	4,748,472	406,790	(60,995)
<b>Total equity</b>		<u>43,293,314</u>	<u>5,748,482</u>	<u>38,221,740</u>	<u>2,693,455</u>

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**STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021 (CONTINUED)**

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>Non-current liabilities</b>					
Lease liabilities	21	-	17,818	-	-
Deferred tax liabilities	22	29,758	24,657	-	-
		<u>29,758</u>	<u>42,475</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade payables	23	70,408	16,569	-	-
Non-trade payables and accruals	24	784,904	327,325	163,704	5,795
Amount due to a director	25	56,075	85,552	-	-
Amount due to a subsidiary	26	-	-	63,609	73,700
Amount due to related parties	17	31,368,766	4,655	-	-
Contract liabilities	27	-	6,425	-	-
Lease liabilities	21	17,818	143,418	-	-
Tax payable		665,341	24,223	-	-
		<u>32,963,312</u>	<u>608,167</u>	<u>227,313</u>	<u>79,495</u>
<b>Total liabilities</b>		<u>32,993,070</u>	<u>650,642</u>	<u>227,313</u>	<u>79,495</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>76,286,384</u>	<u>6,399,124</u>	<u>38,449,053</u>	<u>2,772,950</u>



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**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Note	Share capital RM	Merger deficit RM	Retained earnings/ (accumulated losses) RM	Total RM
<b>Group</b>					
At 1 April 2019		2,754,450	(1,754,440)	2,736,695	3,736,705
Total comprehensive income for the financial year		-	-	2,011,777	2,011,777
At 31 March 2020		2,754,450	(1,754,440)	4,748,472	5,748,482
Total comprehensive income for the financial year		-	-	2,484,332	2,484,332
Issuance of share	19	35,060,500	-	-	35,060,500
At 31 March 2021		37,814,950	(1,754,440)	7,232,804	43,293,314

	Note	Share capital RM	Retained earnings/ (accumulated losses) RM	Total RM
<b>Company</b>				
At 1 April 2019		2,754,450	(8,886)	2,745,564
Total comprehensive income for the financial year		-	(52,109)	(52,109)
At 31 March 2020		2,754,450	(60,995)	2,693,455
Total comprehensive income for the financial year		-	467,785	467,785
Issuance of share	19	35,060,500	-	35,060,500
At 31 March 2021		37,814,950	406,790	38,221,740

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**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>Cash flows from operating activities</b>					
Profit/(Loss) before tax:		3,801,758	2,707,523	467,785	(52,109)
Adjustments for:					
Dividend income		-	-	(1,800,000)	-
Depreciation of right-of-use assets		137,723	479,297	-	-
Depreciation of property, plant and equipment		78,083	70,371	15,544	-
Impairment loss on:					
- trade receivables		268,059	-	-	-
Interest (income)/expense		(6,689)	15,218	(4,289)	-
Property, plant and equipment written off		264,969	-	-	-
Gain on disposal of property, plant and equipment		(2,735)	-	-	-
<b>Operating income/(loss) before working capital changes</b>		<b>4,541,168</b>	<b>3,272,409</b>	<b>(1,320,960)</b>	<b>(52,109)</b>
(Increase)/Decrease in inventories		(633,071)	3,585,933	-	-
(Increase)/Decrease in receivables		(1,981,535)	(160,162)	18,500	(18,500)
Increase/(Decrease) in payables		211,142	(5,243,354)	157,909	70,609
<b>Cash generated from operations</b>		<b>2,137,704</b>	<b>1,454,826</b>	<b>(1,144,551)</b>	<b>-</b>
Interest received		6,689	-	4,289	-
Tax paid		(965,006)	(1,019,089)	-	-
<b>Net cash from operating activities</b>		<b>1,179,387</b>	<b>435,737</b>	<b>(1,140,262)</b>	<b>-</b>

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**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)**

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment		(36,601)	(48,216)	(38,860)	-
Acquisition of investment in subsidiary	13	(31,690,036)	-	(32,000,000)	-
Repayment from/(Advances to) related parties		1,930,349	-	(10,091)	-
Proceeds from disposal of - property, plant and equipment		7,695	-	-	-
<b>Net cash used in investing activities</b>		<u>(29,788,593)</u>	<u>(48,216)</u>	<u>(32,048,951)</u>	<u>-</u>
<b>Cash flows from financing activities</b>					
Issuance of ordinary shares		35,060,500	-	35,060,500	-
Repayment to director		(29,477)	-	-	-
Repayment of finance lease liabilities		(143,418)	(501,037)	-	-
Interest paid		-	(15,218)	-	-
<b>Net cash from/(used in) financing activities</b>		<u>34,887,605</u>	<u>(516,255)</u>	<u>35,060,500</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		6,278,399	(128,734)	1,871,287	-
<b>Cash and cash equivalents at 1 April 2020/2019</b>		<u>75,920</u>	<u>204,654</u>	<u>10</u>	<u>10</u>
<b>Cash and cash equivalents at 31 March</b>	(i)	<u><u>6,354,319</u></u>	<u><u>75,920</u></u>	<u><u>1,871,297</u></u>	<u><u>10</u></u>

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**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)**

**Notes:**

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances.

**(ii) Reconciliation of liabilities arising from financing activities:**

<b>Group</b>	<b>1 April</b>	<b>Cash flows</b>	<b>31 March</b>
<b>2021</b>	<b>2020/2019</b>	<b>RM</b>	<b>RM</b>
Amount due to a director	85,552	(29,477)	56,075
Lease liabilities	161,236	(143,418)	17,818
	<u>246,788</u>	<u>(172,895)</u>	<u>73,893</u>
<b>2020</b>			
Amount due to a director	85,552	-	85,552
Lease liabilities	662,273	(501,037)	161,236
	<u>747,825</u>	<u>(501,037)</u>	<u>246,788</u>

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**1. Basis of preparation**

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirement of the Companies Act 2016 in Malaysia.

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as going concern which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

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

**(a) Standards issued and effective**

On 1 April 2020, the Group and the Company have adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2020:

**Description**

- Amendments to MFRS 3, *Business Combinations*: Definition of Business
- Amendments to MFRS 4, *Insurance Contracts*: Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures*: Interest Rate Benchmark Reform
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Material
- Amendments from other Standards:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 3, *Business Combinations*
  - Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 15, *Revenue from Contracts with Customers*
  - Amendments to MFRS 101, *Presentation of Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
  - Amendments to MFRS 110, *Events after the Reporting Period*
  - Amendments to MFRS 116, *Property, Plant and Equipment*
  - Amendments to MFRS 119, *Employee Benefits*
  - Amendments to MFRS 128, *Investments in Associates and Joint Ventures*
  - Amendments to MFRS 132, *Financial instruments: Presentation*

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**1. Basis of preparation (continued)**

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

**Description**

- Amendments from other Standards: (continued)
  - Amendments to MFRS 134, Interim Financial Reporting
  - Amendments to MFRS 136, Impairment of Assets
  - Amendments to MFRS 137, Provision, Contingent Liabilities and Contingent Assets
  - Amendments to MFRS 138, Intangible Assets
  - Amendments to MFRS 140, Investment Property
- Amendments to References to the Conceptual Framework in MFRS Standards

Adoption of above amended MFRS did not have any material impact to the financial performances or positions of the Group and of the Company.

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

The Group and the Company have not adopted the following amendments, 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: Covid-19-Related Rent Concessions</i>	1 June 2020
• Amendments to MFRS 9, <i>Financial Instruments</i> , MFRS 139, <i>Financial Instruments: Recognition and Measurement</i> , MFRS 7, <i>Financial Instruments: Disclosures</i> , MFRS 4, <i>Insurance Contracts</i> and MFRS 16, <i>Leases: Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
• Amendments to MFRS 16, <i>Leases: Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
• Amendments to MFRS 3, <i>Business Combinations: Reference to the Conceptual Framework</i>	1 January 2022
• Amendments to MFRS 116, <i>Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022

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**1. Basis of preparation (continued)**

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

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

<b>Description</b>	<b>Effective for annual period beginning on or after</b>
• Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets: 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
• Amendments to MFRS 101, <i>Presentation of Financial Statements: Classifications of Liabilities as Current or Non-current</i>	1 January 2023
• Amendments to MFRS 101, <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
• Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
• Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investment in Associate and Joint Ventures: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture</i>	Deferred

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

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**1. Basis of preparation (continued)**

**(c) Basis of measurement**

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in the significant accounting policies.

**(d) Significant accounting estimates and judgements**

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

*(i) Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

*(ii) Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

*(iii) Impairment of Non-financial Assets*

When the recoverable amount of an asset is determined based on the estimated value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**1. Basis of preparation (continued)**

**(d) Significant accounting estimates and judgements (continued)**

*(iv) Write-down for Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

*(v) Provision for expected credit losses (“ECLs”) of trade receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

*(vi) Deferred Tax Assets and Liabilities*

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date.

While management’s estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

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**1. Basis of preparation (continued)**

**(d) Significant accounting estimates and judgements (continued)**

*(vii) Impairment of Goodwill*

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating units to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying amount of goodwill.

*(viii) Carrying Amount of Investment in Subsidiaries*

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy as disclosed in Note 2(f)(ii) to the financial statements, or whenever events or changes in circumstances indicate that the carrying amount's may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying amount of investments in subsidiaries.

*(ix) Leases*

**(a) Lease term**

In determining the lease term, management considers all fact and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The management do not intend to exercise the option of extension, in consideration of the changes in the business direction by utilising e-commerce facilities instead of retail outlets.

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**1. Basis of preparation (continued)**

**(d) Significant accounting estimates and judgements (continued)**

*(ix) Leases (continued)*

**(b) Incremental borrowing rate of leases**

In determining the incremental borrowing rate, the Company interest rate of 3.50% as a starting point and adjustments specific to the lease for 2 years.

**2. Summary of significant accounting policies**

**(a) Basis of consolidation**

*(i) Subsidiaries*

Subsidiaries are entities, including structured entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing the control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transactions costs.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**2. Summary of significant accounting policies (continued)**

**(a) Basis of consolidation (continued)**

*(ii) Business combinations*

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisition, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured at fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate shares of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

*(iii) Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates and jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**2. Summary of significant accounting policies (continued)**

**(b) Revenue and other income**

*(i) Sale of goods*

The Group generally deals in all kind premium jewellerys. Revenue are recognised at a point in time when control of the asset is transferred, being when the products are delivered to the end customer. The contract price is variable for different contracts as the revenue is recognised based on the assets price, net of returns and discounts. The normal credit term is cash on delivery to 90 days upon delivery.

No element of financing is deemed present as the sales are made with a credit term of cash on delivery to 90 days, which is consistent with the market practice.

Trade receivables are recognised when the goods are delivered as this is the point in time that consideration is unconditional because only the passage of time required before the payment is due.

*(ii) Interest income*

Interest income is recognised on a time proportion basis that takes into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

**(c) Employee benefits expense**

*(i) Short-term employee benefits*

Wages, salaries, paid annual leave, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

*(ii) Defined contribution plans*

The Group's and the Company's contribution to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans.

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**2. Summary of significant accounting policies (continued)**

**(d) Tax expense**

*(i) Current tax*

Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for a period. Current tax liability or assets for the current and prior periods shall be measured at the amount expected to be paid to, or recovered from, the tax authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted at the end of the reporting period.

Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

*(ii) Deferred tax*

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**2. Summary of significant accounting policies (continued)**

**(d) Tax expense (continued)**

*(ii) Deferred tax (continued)*

Deferred tax shall be recognised outside profit or loss if the tax relates to items that are recognised, in the same or different period, outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

**(e) Earning per ordinary share**

The Group presents basic and diluted earning per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

**(f) Impairment**

*(i) Financial assets*

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**2. Summary of significant accounting policies (continued)**

**(f) Impairment (continued)**

*(i) Financial assets (continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, which 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12-months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance amount.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**2. Summary of significant accounting policies (continued)**

**(f) Impairment (continued)**

*(ii) Non-financial assets*

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Group and the Company shall estimate the recoverable amount of the asset.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGUs")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

A previously recognised impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset shall be increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

A reversal of an impairment loss for an asset other than goodwill shall be recognised immediately in profit or loss, unless the asset is carried at revalued amount.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**2. Summary of significant accounting policies (continued)**

**(g) Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to the initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of property, plant and equipment is provided for on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Office equipment	10% - 40%
Furniture, fittings and equipment	10% - 33%

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

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**2. Summary of significant accounting policies (continued)**

**(h) Goodwill on consolidation**

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating unit that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the cash-generating units may be impaired, by comparing the carrying amount of the cash-generating units, including the allocated goodwill, with the recoverable amount of the cash-generating units. Where the recoverable amount of the cash-generating units is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2(b) to the financial statements.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Group and the Company and are recorded in RM at the rates prevailing at the date of acquisition.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**2. Summary of significant accounting policies (continued)**

**(i) Leases**

*(i) Initial recognition and measurement*

*(a) As a lessee*

The Group and the Company recognise right-of-use asset and lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises as follows:

- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and the Company's incremental borrowing rate.

Variable lease payments that do not depend on an index or a rate are excluded from lease liability and right-of-use asset and recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases for which the underlying asset is of low value. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

*(b) As a lessor*

Leases for which the Group or the Company is a lessor are classified as finance or operating leases.

Leases which transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is a finance lease; if not, then it is an operating lease.

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**2. Summary of significant accounting policies (continued)**

**(i) Leases (continued)**

*(i) Initial recognition and measurement (continued)*

*(b) As a lessor (continued)*

The Group and the Company recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the investment in the lease.

When the Group or the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

*(ii) Subsequent measurement*

*(a) As a lessee*

The right-of-use asset is subsequently depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses determined in accordance with Note 2(h)(ii) to the financial statements, if any, and adjusted for certain remeasurements of the lease liability.

The carrying amount of lease liability is subsequently increased by interest on the lease liability and reduced by lease payments made. It is remeasured when there is a change in lease term, assessment of an option to purchase the underlying asset, future lease payments arising from the change in an index or rate, the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee or in-substance fixed lease payments.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**2. Summary of significant accounting policies (continued)**

**(j) Financial assets**

*(i) Initial recognition and measurement*

Financial assets are recognised when, and only when, the Group and the Company become party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

A trade receivable without a significant financing component is initially measured at the transaction price.

*(ii) Subsequent measurement*

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group and the Company reclassified debt investments when and only when its business model for managing those asset changes.

*(a) Amortised cost*

Financial asset is measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income from financial asset measured at amortised cost is recognised in profit or loss using the effective interest method. Any gain or loss on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gain and losses.

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**2. Summary of significant accounting policies (continued)**

**(j) Financial assets (continued)**

*(ii) Subsequent measurement*

*(b) Fair value through other comprehensive income ("FVOCI") – debt investment*

Debt investment, which is not designated as at fair value through profit or loss, is measured at FVOCI when the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments to principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income calculated using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Impairment expenses are presented as a separate line item in the statement of profit or loss.

*(c) FVOCI – equity investment*

Equity investment is measured at FVOCI when the Group and the Company made an irrevocable election to present changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

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**2. Summary of significant accounting policies (continued)**

**(j) Financial assets (continued)**

*(ii) Subsequent measurement (continued)*

*(d) Fair value through profit or loss (“FVTPL”)*

All financial assets not measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

*(iii) Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) shall be recognised in profit or loss.

Any cumulative gain or loss arise from fair value changes in equity investment that had been recognised in other comprehensive income is transferred within equity when the equity investment is derecognised whereas any cumulative gain or loss arise from fair value changes in debt investment that had been recognised in other comprehensive income is transferred to profit or loss when the debt investment is derecognised.

**(k) Inventories**

Inventories comprising raw materials and finished goods are stated at the lower of cost and net realisable value.

Cost of raw materials and finished goods is determined on the first-in-first-out method.

Cost of finished goods consists of cost of raw materials and direct labour.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.



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**2. Summary of significant accounting policies (continued)**

**(l) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, deposits held at call with financial institutions, other short term and highly liquid investments with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

**(m) Financial liabilities**

*(i) Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group and the Company become party to the contractual provision of the instrument

At initial recognition, the Group and the Company measure a financial liability at its fair value plus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability.

*(ii) Subsequent measurement*

The categories of financial liabilities at initial recognition are as follows:

*(a) Amortised cost*

All financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities where it is designated as FVTPL.

Interest expense and foreign exchange gains and losses are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**2. Summary of significant accounting policies (continued)**

**(m) Financial liabilities (continued)**

*(ii) Subsequent measurement*

*(b) Fair value through profit or loss ("FVTPL")*

Financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition are measured at FVTPL.

Financial liabilities may be designated upon initial recognition at FVTPL only if the criteria in MFRS 9 *Financial Instruments (IFRS 9 as issued by IASB in July 2014)* are satisfied. The Company has not designated any financial liability as at FVTPL.

Financial liabilities categorised at FVTPL are subsequently carried at fair value with the gain or losses recognised in profit or loss.

*(iii) Derecognition*

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liability assumed, is recognised in profit or loss.

**(n) Provisions**

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability and the present value of the expenditure expected to be required to settle the obligation.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**2. Summary of significant accounting policies (continued)**

**(o) Contingencies**

*(i) Contingent liabilities*

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability outflow of economic benefits is remote.

*(ii) Contingent assets*

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one of more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statement of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

**(p) Operating segment**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

**(q) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised from equity in the period in which they are declared.

**(r) Fair value measurements**

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market which must be accessible to by the Group and the Company.

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**2. Summary of significant accounting policies (continued)**

**(r) Fair value measurements (continued)**

For non-financial asset, the fair value measurement considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categories into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer.

**3. Revenue**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Over-time</b>				
Management fee	-	-	424,000	-
<b>At a point in time</b>				
Dividend income	-	-	1,800,000	-
Revenue from sales of precious metal ornaments and jewellerys	33,805,858	12,037,972	-	-
	<u>33,805,858</u>	<u>12,037,972</u>	<u>2,224,000</u>	<u>-</u>
<b>Disaggregation of revenue:</b>				
By primary geographical market:				
Malaysia	33,676,267	11,976,364	-	-
Others*	129,591	61,608	-	-
	<u>33,805,858</u>	<u>12,037,972</u>	<u>-</u>	<u>-</u>

\*Includes United States of America, United Kingdom, Indonesia, Hong Kong, China and Singapore.

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**4. Other income**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Sundry income	10,569	669	-	-
Gain on disposal of property, plant and equipment	2,735	-	-	-
Interest received	6,689	-	4,289	-
	<u>19,993</u>	<u>669</u>	<u>4,289</u>	<u>-</u>

**5. Employee benefits expense**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Staff costs:</b>				
Salaries, wages, and bonus	815,567	1,038,483	114,786	-
Defined contribution plan	98,051	118,226	9,528	-
Other short-term employee benefits	14,744	139,469	2,098	-
	<u>928,362</u>	<u>1,296,178</u>	<u>126,412</u>	<u>-</u>
<b>Directors' remuneration:</b>				
Salaries and other emoluments	196,155	180,923	120,616	-
Defined contribution plan	38,950	32,300	22,800	-
Total directors' remuneration	<u>235,105</u>	<u>213,223</u>	<u>143,416</u>	<u>-</u>
Directors' fee	<u>126,000</u>	<u>-</u>	<u>126,000</u>	<u>-</u>
Total employee benefits expenses	<u>1,289,467</u>	<u>1,509,641</u>	<u>395,828</u>	<u>-</u>

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**6. Finance costs**

	Group	
	2021 RM	2020 RM
Interest expense on:		
- lease liabilities	-	15,218

**7. Profit before tax**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Audit fee	38,500	20,000	15,000	5,000
Depreciation of property, plant and equipment	78,083	70,371	15,544	-
Depreciation of right-of-use assets	137,723	479,297	-	-
Impairment loss on trade receivables	268,059	-	-	-
Property, plant and equipment written off	264,969	-	-	-
	<u>787,334</u>	<u>569,668</u>	<u>30,544</u>	<u>5,000</u>

**8. Tax expense**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax				
- current	1,304,168	678,409	-	-
- underprovision in prior years	19,075	4,363	-	-
	<u>1,323,243</u>	<u>682,772</u>	<u>-</u>	<u>-</u>
Deferred tax				
- current year	1,301	8,163	-	-
- effect of changes in tax rate	-	4,811	-	-
- Under/(Over) provision in prior years	(7,118)	-	-	-
	<u>(5,817)</u>	<u>12,974</u>	<u>-</u>	<u>-</u>
	<u>1,317,426</u>	<u>695,746</u>	<u>-</u>	<u>-</u>

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**8. Tax expense (continued)**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Reconciliation of tax expense</b>				
Profit/(loss) before tax:	<u>3,801,758</u>	<u>2,707,532</u>	<u>467,785</u>	<u>(52,109)</u>
Tax calculated at statutory rate of 24%	912,422	649,805	112,269	12,506
Non-deductible expenses	492,106	36,767	418,790	(12,506)
Non-taxable income	(102,789)	-	(534,789)	-
Deferred tax assets not recognised during the financial year	<u>3,730</u>	<u>-</u>	<u>3,730</u>	<u>-</u>
	1,305,469	686,572	-	-
Under provision of tax expense in prior years	19,075	4,363	-	-
Over provision of deferred tax in prior years	(7,118)	-	-	-
Effect of changes in tax rates	<u>-</u>	<u>4,811</u>	<u>-</u>	<u>-</u>
	<u>1,317,426</u>	<u>695,746</u>	<u>-</u>	<u>-</u>

The Company has unabsorbed capital allowances of RM15,544 (2020: RM Nil) available for offsetting against future taxable profits.

**9. Earning per share**

Basic profit per share is calculated by dividing income for the financial year attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2021	2020
Profit for the financial year attributable to owners of the parent (RM)	<u>2,484,332</u>	<u>2,011,777</u>
Weighted average number of ordinary shares in issue (units)	<u>626,050,000</u>	<u>275,445,000</u>
Basic earning per share (sen)	<u>0.40</u>	<u>0.73</u>
Diluted earning per share (sen)	<u>0.40</u>	<u>0.73</u>

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**10. Property, plant and equipment**

<b>Group</b>	<b>Furniture, fittings and equipment RM</b>	<b>Office equipment RM</b>	<b>Total RM</b>
<b>2021</b>			
<b>Cost</b>			
At 1 April 2020	435,232	190,561	625,793
Acquisition of subsidiary	53,772	81,640	135,412
Additions	750	35,851	36,601
Disposal	-	(7,259)	(7,259)
Write off	(414,378)	-	(414,378)
At 31 March	<u>75,376</u>	<u>300,793</u>	<u>376,169</u>
<b>Accumulated depreciation</b>			
At 1 April 2020	118,217	46,650	164,867
Acquisition of subsidiary	5,858	13,534	19,392
Charge for the financial year	40,139	37,944	78,083
Disposal	-	(2,299)	(2,299)
Write off	(149,409)	-	(149,409)
At 31 March	<u>14,805</u>	<u>95,829</u>	<u>110,634</u>
Carrying amount	<u>60,571</u>	<u>204,964</u>	<u>265,535</u>
<b>2020</b>			
<b>Cost</b>			
At 1 April 2020	435,232	142,345	577,577
Additions	-	48,216	48,216
At 31 March	<u>435,232</u>	<u>190,561</u>	<u>625,793</u>
<b>Accumulated depreciation</b>			
At 1 April 2020	74,693	19,803	94,496
Charge for the financial year	43,524	26,847	70,371
At 31 March	<u>118,217</u>	<u>46,650</u>	<u>164,867</u>
Carrying amount	<u>317,015</u>	<u>143,911</u>	<u>460,926</u>



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**10. Property, plant and equipment (continued)**

<b>Company</b>	<b>Office equipment RM</b>
<b>2021</b>	
<b>Cost</b>	
At 1 April 2020	-
Additions	38,860
At 31 March	<u>38,860</u>
<b>Accumulated depreciation</b>	
At 1 April 2020	-
Charge for the financial year	15,544
At 31 March	<u>15,544</u>
Carrying amount	<u>23,316</u>

**11. Right-of-use assets**

<b>Group</b>	<b>Office RM</b>	<b>Kiosk RM</b>	<b>Total RM</b>
<b>2021</b>			
<b>Carrying amount</b>			
At 1 April 2020	51,191	103,171	154,362
Depreciation during the year	(34,552)	(103,171)	(137,723)
At 31 March	<u>16,639</u>	<u>-</u>	<u>16,639</u>
<b>2020</b>			
<b>Carrying amount</b>			
At 1 April 2020	85,318	548,341	633,659
Depreciation during the year	(34,127)	(445,170)	(479,297)
At 31 March	<u>51,191</u>	<u>103,171</u>	<u>154,362</u>

The Group leases an office premise and kiosk and the contract term ranges from 2 to 3 years without any extension options of renewal of contract.

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**12. Investment in subsidiaries**

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
<b>Unquoted shares, at cost:</b>	<b>RM</b>	<b>RM</b>
At 1 January	2,754,440	2,754,440
Acquisition of subsidiary	32,000,000	-
At 31 March	34,754,440	2,754,440

The details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

<b>Name of Company:</b>	<b>Effective equity interest</b>		<b>Principal activities</b>
	<b>2021</b>	<b>2020</b>	
Aurora Italia Sdn. Bhd.	100%	100%	As dealers of all kinds of premium jewelleryes.
PG Jewel Sdn. Bhd.*	100%	-	Trade of jewelleryes.

\* On 31 March 2021, the Company acquired 100% of equity interest of PG Jewel Sdn. Bhd. for a consideration of RM32,000,000.

Profit guarantee for investment in PG Jewel Sdn Bhd:

In accordance to the Share Sales Agreement, on 29 January 2021, the Vendor has provided profit guarantee on the performance of the subsidiary company. The Company shall achieve an audited profit after taxation of not less than RM4,000,000 per annum or the profit guarantee amount of RM12,000,000 to be accumulated for a period of 3 financial period /years ending 31 March 2021 to 31 March 2023.

In the event that the subsidiary company does not achieve, incurs losses and/or fails to achieve the amount of the Profit Guarantee Amount in any of the relevant years, the Vendor shall pay to the Purchaser and an amount equivalent to the total of those losses and the Profit Guarantee Amount or the shortfall between the actual audited profit after taxation for the relevant financial year and the Profit Guarantee Amount.

**13. Goodwill**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
At cost	27,027,824	-

**Acquisition of subsidiary**

On 31 March 2021, the Company acquired 100% of equity interest of PG Jewel Sdn. Bhd. for a consideration of RM32,000,000.

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**13. Goodwill (continued)**

**Acquisition of subsidiary (continued)**

<b>Fair value of consideration transferred</b>	<b>RM</b>
Purchase consideration in cash	32,000,000

**Identifiable assets acquired and liabilities assumed**

The fair value of assets acquired and liabilities assumed from the acquisition of the subsidiaries are as follows:

	<b>Acquiree's carrying amount RM</b>
Property, plant and equipment	116,020
Inventories	30,578,179
Trade receivables	3,999,514
Amount due from a related company	6,321
Cash and bank balances	309,964
Deferred tax liabilities	(10,918)
Trade payables	(3,851)
Non-trade payables and accruals	(88,700)
Amount due to a related company	(201,300)
Amount due to related parties	(29,450,172)
Tax payables	(282,881)
<b>Total identifiable net assets</b>	<b>4,972,176</b>

**Net cash inflow arising from acquisition of subsidiaries**

	<b>RM</b>
Purchase consideration settled in cash	(32,000,000)
Cash and cash equivalents acquired	309,964
<b>Net cash inflow on acquisition</b>	<b>(31,690,036)</b>

**Goodwill**

Goodwill was recognised as a result of the acquisition as follows:

	<b>RM</b>
Total consideration transferred	32,000,000
Fair value of identifiable net assets	(4,972,176)
	<b>27,027,824</b>

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**13. Goodwill (continued)**

**Impairment test for goodwill**

Goodwill has been allocated to the Group's cash-generating unit ("CGU"), being PG Jewel Sdn. Bhd., which is in the provision of trading of jewellery. No impairment loss was recognised for the goodwill on consolidation as its recoverable value exceed of its carrying values.

**Key assumptions used in value-in-use calculations**

The recoverable amount for the goodwill was based on its value-in-use. Value-in-use was determined by discounting the future cash flows generated from the continuing operation of business acquired and was based on the following key assumptions:

- (i) Cash flows were projected based on actual operating results and a five-year business plan.
- (ii) Revenue was projected based on current secured sales and anticipate growth of 35% in the year 2022 and thereon 20% in line with the business plan.

A pre-tax discount rate of 5.6% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the average base lending rate.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on external and internal sources. A reasonably possible change in a key assumption does not have any significant difference to the recoverable amount.

**14. Inventories**

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM</b>	<b>2020 RM</b>	<b>2021 RM</b>	<b>2020 RM</b>
<b>At cost:</b>				
Raw materials	2,130,804	122,978	-	-
Finished goods	30,812,315	1,608,891	-	-
	<u>32,943,119</u>	<u>1,731,869</u>	<u>-</u>	<u>-</u>

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**15. Trade receivables**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade receivables	9,477,476	2,722,523	-	-
Less: Impairment				
At 1 April 2020/2019	-	-	-	-
Addition	(268,059)	-	-	-
At 31 March	(268,059)	-	-	-
	<u>9,209,417</u>	<u>2,722,523</u>	<u>-</u>	<u>-</u>

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 30 days to 90 days (2020: 30 days to 90 days).

**16. Non-trade receivables and prepayments**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-trade receivables	5,729	7,049	1,800,000	-
Deposits	160,350	961,136	-	-
Prepayments	303,452	268,929	-	18,500
	<u>469,531</u>	<u>1,237,114</u>	<u>1,800,000</u>	<u>18,500</u>

**17. Amount due from/(to) related parties**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Non-trade:</b>				
Amount due from related parties	-	16,410	-	-
	<u>-</u>	<u>16,410</u>	<u>-</u>	<u>-</u>

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**17. Amount due from/(to) related parties (continued)**

	Group		Company	
	2021	2020	2021	2020
<b>Amount due to related parties:</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Trade balances	31,344,256	-	-	-
Non – trade payables	24,510	4,655	-	-
	<u>31,368,766</u>	<u>4,655</u>	<u>-</u>	<u>-</u>

The amount due from related parties represents non-trade transactions, unsecured advances, interest-free and repayable on demand.

The normal trade credit terms granted to the Company range from 30 to 60 days (2020: 30 to 60 days).

Significant related party transactions have been disclosed in Note 28 of the financial statements.

**18. Cash and bank balances**

	Group		Company	
	2021	2020	2021	2020
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash in hand	22,870	37,045	1,010	10
Cash at bank	6,331,449	38,875	1,870,287	-
	<u>6,354,319</u>	<u>75,920</u>	<u>1,871,297</u>	<u>10</u>

**19. Share capital**

	Group and Company		2021	2020
	2021	2020		
	← Number of Shares →		<b>RM</b>	<b>RM</b>
Issued and fully paid:				
At 1 April 2020/2019	275,445,000	275,445,000	2,754,450	2,754,450
Allotment of shares	350,605,000	-	35,060,500	-
At 31 March	<u>626,050,000</u>	<u>275,445,000</u>	<u>37,814,950</u>	<u>2,754,450</u>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one (1) vote per share without restriction and rank equally with regards to the Company residual interests.

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**20. Retained profits**

Under the single-tier system introduced by the Finance Act, 2007 in Malaysia which came into effect from the year of assessment 2008, dividends paid under this system are tax exempt in the hands of shareholders. As such, the whole retained profits can be distributed to shareholders as tax-exempt dividends.

**21. Lease liabilities**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Representing:		
Current liabilities	17,818	143,418
Non-current liabilities	-	17,818
	<u>17,818</u>	<u>161,236</u>
<b>Recognised in profit or loss:</b>		
Expenses relating to short term leases	132,971	542,687
Interest (income)/expense	(2,400)	15,218
	<u>132,971</u>	<u>542,687</u>

The total cash outflow for leases for the financial year ended 31 March 2021 is RM143,418 (2020: RM501,037).

**22. Deferred tax liabilities**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
At 1 April 2020/2019	24,657	11,683
Acquisition of subsidiary (Note 13)	10,918	-
Recognised in profit or loss	(5,817)	12,974
At 31 March	<u>29,758</u>	<u>24,657</u>

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**22. Deferred tax liabilities (continued)**

The components and movements of deferred tax assets and liabilities during the financial year are as follows:

	<b>Property, plant and equipment RM</b>	<b>Total RM</b>
<b>Deferred tax liabilities of the Group</b>		
At 1 April 2020	24,657	24,657
Acquisition of subsidiary (Note 13)	10,918	10,918
Recognised in profit or loss (Note 8)	(5,817)	(5,817)
	<u>29,758</u>	<u>29,758</u>
At 31 March 2021	<u>29,758</u>	<u>29,758</u>
At 1 April 2019	11,683	11,683
Recognised in profit or loss	12,974	12,974
	<u>24,657</u>	<u>24,657</u>
At 31 March 2020	<u>24,657</u>	<u>24,657</u>

No deferred tax assets have been recognised in the following items (stated at gross):

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Unabsorbed capital allowances	<u>15,544</u>	<u>-</u>

**23. Trade payables**

Credit terms of trade payables granted to the Company vary from cash on delivery to 30 to 60 days (2020: 30 to 60 days).

**24. Non-trade payables and accruals**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Non-trade payables	36,445	146,940	16,859	795
Accruals	709,850	180,385	146,845	5,000
Prepayment paid	38,609	-	-	-
	<u>784,904</u>	<u>327,325</u>	<u>163,704</u>	<u>5,795</u>



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**25. Amount due to a director**

The amount due to a director is non-trade in nature, unsecured, interest free and repayable on demand.

**26. Amount due to a subsidiary**

The amount due to a subsidiary is non-trade in nature, unsecured, interest free and repayable on demand.

Significant related party transactions have been disclosed in Note 28 of the financial statements.

**27. Contract Liabilities**

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Contract liabilities	-	6,425	-	-

**28. Significant related party transactions**

(a) Identities of related parties:

Parties are considered to be related to the Group if the Group has the ability to directly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Entities in which directors have substantial financial interests; and
- (iii) Key management personnel of the Group and of the Company, comprising persons having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

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**28. Significant related party transactions (continued)**

(b) Significant related party transactions

The Group and Company has related party transactions with the following company:

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>With subsidiary:</b>		
Aurora Italia Sdn. Bhd		
- Management fee	424,000	-
- Payment received	(471,000)	-
- Advance from	(655,531)	(69,956)
- Payment made	612,622	-
- Advance to	100,000	-
	<hr/>	<hr/>
	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>With related parties:</b>		
Aurora Italia Limited		
- Advance to	13,137	5,300
PG Mall Sdn Bhd		
- Service rendered	(2,091,561)	-
- Payment made	2,092,141	-
- Cash received on behalf	(20,435)	(4,655)
Public Gold Mint Sdn Bhd		
- Services rendered	(499,950)	-
- Payment made	452,100	-
Public Gold Marketing Sdn Bhd		
- Purchases	(91,903,798)	(1,299,151)
- Payment made	65,126,800	5,924,258
- Sales	2,299,441	1,159,798
- Payment received	(753,024)	(228)
- Service rendered	-	(251,602)
- Advance from	-	(260,000)
- Payment made on behalf	-	(9,927)
- Payment received on behalf	-	15,470
Public Silver Sdn Bhd		
- Operating lease of office	(33,300)	(36,000)
- Payment made	33,300	36,000
	<hr/>	<hr/>

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**28. Significant related party transactions (continued)**

(b) Significant related party transactions (continued)

The significant balances with subsidiaries are disclosed in Notes 17 and 26 to the financial statements.

The Directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.

(c) The remuneration and fees of the Directors during the financial year is disclosed in Note 5 to the financial statements.

**29. Segmental information**

The Company is principally engaged in trade of jewelleries and dealers in all kinds of premium jewelleries. There is no other business component that is an operating segment with a distinct allocation of resources. As such, there are no separate reportable segments and segmental reporting.

**30. Financial instruments**

**Categories of financial instrument**

The table below provide an analysis on categories of financial instruments as financial assets and liabilities measured at amortised cost ("AC").

<b>2021 Group</b>	<b>Carrying amount RM</b>	<b>AC RM</b>
<b>Financial assets</b>		
Trade receivables	9,209,417	9,209,417
Non-trade receivables (excluding prepayments)	166,079	166,079
Cash and bank balances	6,354,319	6,354,319
	<u>15,729,815</u>	<u>15,729,815</u>
<b>Financial liabilities</b>		
Trade payables	70,408	70,408
Non-trade payables and accruals	784,904	784,904
Amount due to related parties	31,368,766	31,368,766
Amount due to a director	56,075	56,075
Lease liabilities	17,818	17,818
	<u>32,297,971</u>	<u>32,297,971</u>

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**30. Financial instruments (continued)**

**Categories of financial instrument (continued)**

	<b>Carrying amount RM</b>	<b>AC RM</b>
<b>2020</b>		
<b>Group</b>		
<b>Financial assets</b>		
Trade receivables	2,722,523	2,722,523
Non-trade receivables (excluding prepayments)	968,185	968,185
Amount due from related parties	16,410	16,410
Cash and bank balances	75,920	75,920
	<u>3,783,038</u>	<u>3,783,038</u>
<b>Financial liabilities</b>		
Trade payables	16,569	16,569
Non-trade payables and accruals	327,325	327,325
Amount due to related parties	4,655	4,655
Amount due to director	85,552	85,552
Lease liabilities	161,236	161,236
	<u>595,337</u>	<u>595,337</u>
<b>2021</b>		
<b>Company</b>		
<b>Financial assets</b>		
Non-trade receivables (excluding prepayments)	1,800,000	1,800,000
Cash and bank balances	1,871,297	1,871,297
	<u>3,671,297</u>	<u>3,671,297</u>
<b>Financial liabilities</b>		
Non-trade payables and accruals	163,704	163,704
Amount due to a subsidiary	63,609	63,609
	<u>227,313</u>	<u>227,313</u>

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**30. Financial instruments (continued)**

**Categories of financial instrument (continued)**

	Carrying amount RM	AC RM
<b>2020</b>		
<b>Company</b>		
<b>Financial assets</b>		
Cash and bank balances	10	10
	<u>10</u>	<u>10</u>
<b>Financial liabilities</b>		
Non-trade payables and accruals	5,795	5,795
Amount due to a subsidiary	73,700	73,700
	<u>79,495</u>	<u>79,495</u>

**Net gains/(losses) arising from financial instruments**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Net gains/(losses) arising on:</b>				
Interest income	4,289		4,289	
Impairment loss on trade receivables	(268,059)	-	-	-
	<u>(263,770)</u>	<u>-</u>	<u>4,289</u>	<u>-</u>
<b>Financial liabilities measured at amortised cost</b>				
Interest income/(expense)	2,400	(15,218)	-	-
	<u>2,400</u>	<u>(15,218)</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**30. Financial instruments (continued)**

**Financial risk management objectives and policies**

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, cash flows risk and liquidity risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its credit risk, cash flows risk and liquidity risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

**Credit risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that might have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk also arises from bank balances placed with licensed banks in Malaysia. The deposits are placed with credit-worthy financial institutions. The Company considers the risk of material loss in the event of non performance by a financial counter party to be low.

Credit risk concentration profile

The Group has no major concentration of credit risk and manages these risks by monitoring credit ratings and limiting the aggregate financial exposure to any individual counterparty.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

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**30. Financial instruments (continued)**

**Credit risk (continued)**

Recognition and measurement of impairment loss

The Group and the Company use a provision matrix to measure ECLs of trade receivables and contract assets.

Loss rates are based on actual credit loss experience over the past three (3) years. The Group and the Company also consider differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's and the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the financial year.

Ageing analysis

The ageing analysis of the Group's trade receivables as at reporting date are as follows:

	<b>Gross amount RM</b>	<b>Loss allowance RM</b>	<b>Carrying amount RM</b>
<b>2021</b>			
Not past due	8,925,454	(248,273)	8,677,181
Past due			
- 1 - 30 days	23,598	(1,121)	22,477
- 31 - 60 days	44,956	(2,139)	42,817
- 61 - 90 days	341,537	(16,526)	325,011
- 91 - 120 days	141,931	-	141,931
	<u>9,477,476</u>	<u>(268,059)</u>	<u>9,209,417</u>
<b>2020</b>			
Not past due	1,378,294	-	1,378,294
Past due			
- 1 - 30 days	844,790	-	844,790
- 31 - 60 days	499,011	-	499,011
- 61 - 90 days	428	-	428
- 91 - 120 days	-	-	-
	<u>2,722,523</u>	<u>-</u>	<u>2,722,523</u>
Amount due from related parties	<u>16,410</u>	<u>-</u>	<u>161,410</u>

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**30. Financial instruments (continued)**

**Cash flow risk**

The Group and the Company reviews its cash flow position regularly to manage their exposure to fluctuations in future cash flows associated with their monetary financial instruments.

**Liquidity risk**

Liquidity risk is the risk that the Group and that Company will encounter difficulty in meeting financial obligations when they fall due. The Group and the Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, by matching the maturity profiles of financial assets and liabilities, and by monitoring and maintaining a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows.

Maturity analysis

The table below show summaries the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	<b>Carrying amount RM</b>	<b>Contractual cash flows RM</b>	<b>Within 1 year RM</b>	<b>1 - 5 years RM</b>
<b>Group 2021</b>				
Trade payables	70,408	70,408	70,408	-
Non-trade payables and accruals	784,904	784,904	784,904	-
Amount due to related parties	31,368,766	31,368,766	31,368,766	-
Amount due to director	56,075	56,075	56,075	-
Lease liabilities	17,818	18,000	18,000	-
	<u>32,297,971</u>	<u>32,298,153</u>	<u>32,298,153</u>	<u>-</u>
<b>2020</b>				
Trade payables	16,569	16,569	16,569	-
Non-trade payables and accruals	327,325	327,325	327,325	-
Amount due to related parties	4,655	4,655	4,655	-
Amount due to director	85,552	85,552	85,552	-
Lease liabilities	161,236	162,915	144,915	18,000
	<u>595,337</u>	<u>597,016</u>	<u>597,016</u>	<u>18,000</u>



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**30. Financial instruments (continued)**

**Fair values**

The financial assets and financial liability maturing within the next 12 months approximated their fair values due to the relatively short term maturity of the financial instruments except for amount due to related parties, amount due to directors and amount due to subsidiary, as it is not practical to estimate the fair value due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. The directors are of the opinion that the carrying amounts recorded at the statement of financial position date do not differ significantly from the values that would eventually be recovered.

The fair values of obligations under finance leases are determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

**31. Significant events during the financial year**

The directors of the Group are of the opinion that the outbreak of the COVID-19 may affect the business performance and position of the Group mainly due to travel and movement restriction and other precautionary measures imposed by relevant local authorities that resulted in delays in commencement of work and delivery of products to customers. Meanwhile, due to inherent nature and unpredictability of future development of the virus and market sentiment, the extent of the impact depends on (i) ongoing precautionary measures introduced by each country to address this pandemic and (ii) the durations of the pandemic. Accordingly, the financial impact of the COVID-19 outbreak to the Group cannot be reasonably estimated as at this juncture. The directors will continue to monitor the situations and respond proactively to mitigate the impact on the Group's financial performance and financial position.

**AURORA ITALIA INTERNATIONAL BERHAD**  
Registration No.: 201801037877 (1299907-T)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

**32. General information**

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Leap Market of Bursa Malaysia Securities Berhad.

The Company is principally involved in investment holding. The principal activities of the subsidiaries are as stated in Note 12 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

The registered office of the Company is located at 170-09-01 Livingston Tower, Jalan Argyll, 10500 Georgetown, Pulau Pinang.

The principal place of business of the Company is located at Plot 21, Technoplex Medan Bayan Lepas, Taman Perindustrian Bayan Lepas Phase IV, 11900 Bayan Lepas Pulau Pinang.

The financial statements were approved and authorised for issue by the Board of Directors on 27 August 2021.