

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 2023

AURORA ITALIA INTERNATIONAL BERHAD
Registration No.: 201801037877 (1299907-T)
(Incorporated in Malaysia)
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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 2023.

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.

Results

	Group RM	Company RM
Profit for the financial year	<u>6,968,656</u>	<u>1,153,646</u>

Reserves and provisions

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

Dividends

On 10 March 2023, the Directors declared dividend of RM0.002 per share on 626,050,000 shares for the financial year ended 31 March 2023, amounting to RM1,252,100, which was paid on 28 April 2023.

The Directors do not recommend any final dividend for the financial year ended 31 March 2023.

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

Mirzan Bin Mahathir

Lim Say Leong

Lim Su May

Dato' Wira Ng Chun Hau

- Appointed on 1 August 2022

- Resigned on 3 November 2022

The name of the Director of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who already disclosed is:

Ng Jing Chia

- Appointed on 2 November 2022

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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 01.04.2022	Bought	Sold	Balance as at 31.03.2023
In the Company				
Direct interest				
Datin Wira Lim Chee Ting	97,216,000	1,074,000	-	98,290,000
Mirzan Bin Mahathir	48,608,000	-	-	48,608,000
Indirect interest				
Datin Wira Lim Chee Ting	192,000,000	257,621,000*	-	449,621,000

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.

*Deemed interest through spouse pursuant to Section 59 of the Companies Act 2016 following the resignation of spouse as Director of the Company on 03 November 2022.

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 27 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.

Directors' remuneration and fee

Directors' remuneration of the Group and of the Company amounted to RM975,032 and RM275,288 respectively as disclosed in Note 5 to the financial statements.

Directors' fee of the Group and of the Company are amounted to RM177,000 respectively as disclosed in Note 5 to the financial statements.

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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

There were no changes in the share capital of the Company during the financial year.

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.

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.

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Other statutory information (continued)

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 2023 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.

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Auditors

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

The auditors' remuneration of the Group and of the Company for financial year ended 31 March 2023 amounted to RM73,000 and RM17,000 respectively.

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

DATIN WIRA LIM CHEE TING

28 July 2023

LIM SU MAY

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 2023 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,

DATIN WIRA LIM CHEE TING

LIM SU MAY

28 July 2023

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 BERHAD, 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 Kuala Lumpur in Wilayah)
Persekutuan on 28 July 2023)

DATIN WIRA LIM CHEE TING

Before me,

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 2023 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 2023, 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.

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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, required 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; and
- (e) Evaluated the disclosures made in the notes to the financial statements, including the judgements and the uncertainties.

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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

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.

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

Penang

28 July 2023

NGU SIOW PING
03033/11/2023 J
CHARTERED ACCOUNTANT

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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	3	159,218,907	127,819,274	2,520,000	1,320,000
Cost of sales		(143,936,281)	(110,260,821)	-	-
Gross profit		15,282,626	17,558,453	2,520,000	1,320,000
Other income	4	128,382	41,833	21,539	6,215
Distribution expenses		(2,151,485)	(1,923,477)	-	-
Administrative expenses		(4,059,489)	(3,200,041)	(1,339,038)	(1,285,967)
Other expenses		(1,483)	(21,738)	-	(11,601)
Net, reversal on impairment of financial assets		15,147	251,795	-	-
Profit from operations		9,213,698	12,706,825	1,202,501	28,647
Finance costs	6	(26,017)	(14,291)	-	-
Profit before tax	7	9,187,681	12,692,534	1,202,501	28,647
Tax expense	8	(2,219,025)	(3,137,636)	(48,855)	(92,881)
Profit during the financial year		6,968,656	9,554,898	1,153,646	(64,234)
Total comprehensive income for the financial year		6,968,656	9,554,898		
Profit for the year attributable to:					
Owners of the parent		6,968,656	9,554,898		
Total comprehensive income attributable to:					
Owners of the parent		6,968,656	9,554,898		
Earnings per share:					
Basic/Diluted (cent per ordinary share)	9	1.11	1.53		

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STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

		Group		Company	
	Note	2023	2022	2023	2022
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	1,174,694	1,235,948	82,039	155,220
Right-of-use assets	11	676,411	590,295	-	-
Investment in subsidiaries	12	-	-	36,615,440	36,615,440
Goodwill	13	27,027,824	27,027,824	-	-
		<u>28,878,929</u>	<u>28,854,067</u>	<u>36,697,479</u>	<u>36,770,660</u>
Current assets					
Inventories	14	23,252,114	27,577,616	-	-
Trade receivables	15	3,532,349	6,667,533	-	-
Non-trade receivables, deposits and prepayments	16	4,717,344	2,827,254	1,817,749	421,249
Tax recoverable		500,180	40,436	84,287	40,436
Fixed deposits with licensed banks	17	-	3,900,000	-	900,000
Cash and bank balances	18	21,560,205	2,981,828	768,823	216,794
		<u>53,562,192</u>	<u>43,994,667</u>	<u>2,670,859</u>	<u>1,578,479</u>
TOTAL ASSETS		<u><u>82,441,121</u></u>	<u><u>72,848,734</u></u>	<u><u>39,368,338</u></u>	<u><u>38,349,139</u></u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	19	37,814,950	37,814,950	37,814,950	37,814,950
Merger deficit		(1,754,440)	(1,754,440)	-	-
Retained earnings	20	22,504,258	16,787,702	244,102	342,556
Total equity		<u><u>58,564,768</u></u>	<u><u>52,848,212</u></u>	<u><u>38,059,052</u></u>	<u><u>38,157,506</u></u>

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STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023 (CONTINUED)

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Non-current liabilities					
Lease liabilities	21	298,327	294,837	-	-
Deferred tax liabilities	22	159,321	73,524	16,047	7,761
		<u>457,648</u>	<u>368,361</u>	<u>16,047</u>	<u>7,761</u>
Current liabilities					
Trade payables	23	20,412,437	17,740,016	-	-
Non-trade payables and accruals	24	2,836,588	1,125,922	1,289,039	50,372
Amount due to related parties	25	9,686	149,479	4,200	133,500
Lease liabilities	21	147,881	154,073	-	-
Tax payable		12,113	462,671	-	-
		<u>23,418,705</u>	<u>19,632,161</u>	<u>1,293,239</u>	<u>183,872</u>
Total liabilities		<u>23,876,353</u>	<u>20,000,522</u>	<u>1,309,286</u>	<u>191,633</u>
TOTAL EQUITY AND LIABILITIES		<u>82,441,121</u>	<u>72,848,734</u>	<u>39,368,338</u>	<u>38,349,139</u>

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Note	Share capital RM	Merger deficit RM	Retained earnings RM	Total equity RM
Group					
At 1 April 2021		37,814,950	(1,754,440)	7,232,804	43,293,314
Total comprehensive income for the financial year		-	-	9,554,898	9,554,898
At 31 March 2022		37,814,950	(1,754,440)	16,787,702	52,848,212
Total comprehensive income for the financial year		-	-	6,968,656	6,968,656
Dividend declared	26	-	-	(1,252,100)	(1,252,100)
At 31 March 2023		37,814,950	(1,754,440)	22,504,258	58,564,768

	Note	Share capital RM	Retained earnings RM	Total equity RM
Company				
At 1 April 2021		37,814,950	406,790	38,221,740
Total comprehensive loss for the financial year		-	(64,234)	(64,234)
At 31 March 2022		37,814,950	342,556	38,157,506
Total comprehensive income for the financial year		-	1,153,646	1,153,646
Dividend declared	26	-	(1,252,100)	(1,252,100)
At 31 March 2023		37,814,950	244,102	38,059,052

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

		Group		Company	
	Note	2023	2022	2023	2022
		RM	RM	RM	RM
Cash flows from operating activities					
Profit before tax		9,187,681	12,692,534	1,202,501	28,647
Adjustments for:					
Depreciation of right-of-use assets		205,794	123,348	-	-
Depreciation of property, plant and equipment		236,160	118,491	73,181	37,519
Reversal of impairment on trade receivables		(15,147)	(251,795)	-	-
Interest income		(55,990)	(23,083)	(13,255)	(6,215)
Interest expense		26,017	14,291	-	-
Property, plant and equipment written off		3,892	-	-	-
Operating income before working capital changes		9,588,407	12,673,786	1,262,427	59,951
Decrease in inventories		4,325,502	5,365,503	-	-
Decrease/(Increase) in receivables		3,126,954	2,302,669	(1,396,500)	1,378,751
Increase/(Decrease) in payables		3,130,987	(13,333,630)	(13,433)	90,059
Cash generated from/(used in) operations		20,171,850	7,008,328	(147,506)	1,528,761
Interest received		55,990	23,083	13,255	6,215
Tax refund		52,516	368,414	-	-
Tax paid		(3,096,046)	(3,705,390)	(84,420)	(125,556)
Net cash from/(used in) operating activities		17,184,310	3,694,435	(218,671)	1,409,420

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment		(178,798)	(1,088,904)	-	(169,423)
Acquisition of right-of-use assets	(i)	(111,910)	(147,183)	-	-
Acquisition of investment in subsidiaries		-	-	-	(1,861,000)
Net changes in fixed deposits		3,900,000	(3,900,000)	900,000	(900,000)
Advances from subsidiaries		-	-	4,200	-
Repayment to related parties		(2,006,506)	(1,741,744)	(133,500)	(133,500)
Net cash from/(used in) investing activities		<u>1,602,786</u>	<u>(6,877,831)</u>	<u>770,700</u>	<u>(3,063,923)</u>
Cash flows from financing activities					
Repayment to Director		-	(56,075)	-	-
Repayment of lease liabilities		(182,702)	(118,729)	-	-
Interest paid		(26,017)	(14,291)	-	-
Net cash used in financing activities		<u>(208,719)</u>	<u>(189,095)</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		<u>18,578,377</u>	<u>(3,372,491)</u>	<u>552,029</u>	<u>(1,654,503)</u>
Cash and cash equivalents at 1 April 2022/2021		<u>2,981,828</u>	<u>6,354,319</u>	<u>216,794</u>	<u>1,871,297</u>
Cash and cash equivalents at 31 March	(ii)	<u><u>21,560,205</u></u>	<u><u>2,981,828</u></u>	<u><u>768,823</u></u>	<u><u>216,794</u></u>

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

Notes:

(i) Assets acquired under lease arrangement:

During the financial year, the group made the following cash payment to acquire right-of-use assets as follows:

	Group	
	2023	2022
	RM	RM
Right-of-use assets acquired	291,910	697,004
Less: Lease arrangement	(180,000)	(549,821)
	<u>111,910</u>	<u>147,183</u>

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

(iii) Reconciliation of liabilities arising from financing activities:

	1 April	Non-cash		
	2022/2021	movement	Cash flows	31 March
	RM	RM	RM	RM
Group				
2023				
Lease liabilities	<u>448,910</u>	<u>180,000</u>	<u>(182,702)</u>	<u>446,208</u>
2022				
Amount due to a Director	56,075	-	(56,075)	-
Lease liabilities	<u>17,818</u>	<u>549,821</u>	<u>(118,729)</u>	<u>448,910</u>
	<u>73,893</u>	<u>549,821</u>	<u>(174,804)</u>	<u>448,910</u>

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

1. Basis of preparation

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

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

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

(a) Standards issued and effective

On 1 April 2022, the Group and the Company has adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2022:

Description

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

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

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

1. Basis of preparation (continued)

(b) Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
• MFRS 17, <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 17, <i>Insurance Contracts</i>	1 January 2023
• Amendment to MFRS 17 <i>Insurance Contracts</i> : Initial Application of MFRS 17 and MFRS 9—Comparative Information	1 January 2023
• Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
• Amendments to MFRS 112, <i>Income Tax</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
• Amendments to MFRS 16, <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 101, <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
• Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures</i> – Supplier Finance Arrangements	1 January 2024
• Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investment in Associate and Joint Ventures</i> : Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

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 summary of 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 and the Company 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 2023

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

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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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

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 5.49% (2022: 5.49%) as a starting point and adjustments specific to the lease for 2 years (2022: 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

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 acquire 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.

Merger

These consolidated financial statements incorporate the results of business combinations using the merger accounting method. In the consolidated financial statements of the merged enterprise, the cost of the merger should be cancelled against the nominal values of the shares/paid-up capital received. The difference between the cost of the merger and nominal values of the shares/paid-up capital received will remain and continue to be classified as part of equity of the Group and would be adjusted against suitable reserve in future, where appropriate. The combination date is the date on which one combining entity effectively obtains control of the other combining entities.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the cases if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and their carrying amount would be regarded as cost on initial measurement of the investment.

(iv) 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.

(b) Revenue and other income

(i) Sales of goods

The Group generally dealers in all kind of precious metal ornaments and premium jewelleryes. 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

2. Summary of significant accounting policies (continued)

(b) Revenue and other income (continued)

(i) Sales of goods (continued)

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 and to the Company.

(iii) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(iv) Management fee

Management fee are recognised when services are rendered.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

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) Earnings per ordinary share

The Group presents basic and diluted earnings 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

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 2023

2. Summary of significant accounting policies (continued)

(f) Impairment (continued)

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

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%
Renovation	10%
Right-of-use assets - Motor vehicle	20%

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

2. Summary of significant accounting policies (continued)

(h) Goodwill on consolidation (continued)

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.

(i) Leases

(i) Initial recognition and measurement

(a) As a lessee

The Group recognises 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

2. Summary of significant accounting policies (continued)

(i) Leases (continued)

(i) Initial recognition and measurement (continued)

(a) As a lessee (continued)

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 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 has 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 recognises 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 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.

The Group 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 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

2. Summary of significant accounting policies (continued)

(i) Leases (continued)

(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 by the end of the lease term or if the cost of the right-of-use asset reflects that the Group 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 estimate of the amount expected to be payable under a residual value guarantee or in-substance fixed lease payments.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

2. Summary of significant accounting policies (continued)

(j) Financial assets (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

2. Summary of significant accounting policies (continued)

(j) Financial assets (continued)

(ii) Subsequent measurement (continued)

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

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

2. Summary of significant accounting policies (continued)

(j) Financial assets (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

2. Summary of significant accounting policies (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

2. Summary of significant accounting policies (continued)

(m) Financial liabilities (continued)

(iii) Derecognition (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

2. Summary of significant accounting policies (continued)

(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.

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.

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3. Revenue

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Over-time				
Management fee	-	-	1,320,000	1,320,000
At a point in time				
Dividend income	-	-	1,200,000	-
Revenue from sales of precious metal ornaments and jewelleryes	159,218,907	127,819,274	-	-
	<u>159,218,907</u>	<u>127,819,274</u>	<u>2,520,000</u>	<u>1,320,000</u>
Disaggregation of revenue:				
By primary geographical market:				
Malaysia	158,678,253	127,001,499	2,520,000	1,320,000
Others*	540,654	817,775	-	-
	<u>159,218,907</u>	<u>127,819,274</u>	<u>2,520,000</u>	<u>1,320,000</u>

*Includes United States of America, Indonesia, Saudi Arabia, Germany, Australia, Brunei and Singapore.

4. Other income

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Sundry income	18,862	18,750	-	-
Interest received	55,990	23,083	13,255	6,215
Other income	53,530	-	8,284	-
	<u>128,382</u>	<u>41,833</u>	<u>21,539</u>	<u>6,215</u>

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5. Employee benefits expense

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Staff costs:				
Salaries, wages, and bonus	2,882,905	2,320,577	554,041	439,705
Defined contribution plan	358,506	264,836	79,937	50,392
Social security contributions	26,081	36,190		
Other short-term employee benefits	66,038	52,781	15,334	5,490
Others - HRDF	7,229	-	-	-
Total staff costs	<u>3,340,759</u>	<u>2,674,384</u>	<u>649,312</u>	<u>495,587</u>
Directors' remuneration:				
Salaries and other emoluments	813,550	653,541	230,900	224,032
Defined contribution plan	152,950	121,264	42,750	44,060
Social security contributions	5,882	7,621	1,638	-
Others	2,650	-	-	-
Total directors' remuneration	<u>975,032</u>	<u>782,426</u>	<u>275,288</u>	<u>268,092</u>
Directors' fee	<u>177,000</u>	<u>168,000</u>	<u>177,000</u>	<u>168,000</u>
Total employee benefits expenses	<u>4,492,791</u>	<u>3,624,810</u>	<u>1,101,600</u>	<u>931,679</u>

6. Finance costs

	Group	
	2023	2022
	RM	RM
Interest expense on:		
Lease liabilities	<u>26,017</u>	<u>14,291</u>

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7. Profit before tax

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Profit before tax is arrived at after charging/(credited):				
Auditors' remuneration	73,000	74,000	17,000	15,000
Depreciation of property, plant and equipment	236,160	118,491	73,181	37,519
Depreciation of right-of-use assets	205,794	123,348	-	-
Property, plant and equipment written off	3,892	-	-	-
Reversal of impairment on financial assets	(15,147)	(251,795)	-	-

8. Tax expense

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Current tax				
- current year	2,258,195	3,007,586	14,755	2,284
- (over)/under provision in prior years	(124,967)	86,284	25,814	82,836
	<u>2,133,228</u>	<u>3,093,870</u>	<u>40,569</u>	<u>85,120</u>
Deferred tax (Note 22)				
- current year	24,579	41,282	1,087	7,761
- under provision in prior years	61,218	2,484	7,199	-
	<u>85,797</u>	<u>43,766</u>	<u>8,286</u>	<u>7,761</u>
	<u>2,219,025</u>	<u>3,137,636</u>	<u>48,855</u>	<u>92,881</u>

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8. Tax expense (continued)

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Reconciliation of tax expense				
Profit before tax	9,187,681	12,692,534	1,202,501	28,647
Tax calculated at statutory rate of 24%	2,205,043	3,046,208	288,600	6,875
Non-deductible expenses	110,255	67,893	17,238	4,524
Non-taxable income	(32,204)	(61,105)	(289,996)	(234)
Utilisation of deferred tax during the year	(320)	(4,128)	-	(1,120)
	2,282,774	3,048,868	15,842	10,045
(Over)/under provision of tax expense in prior years	(124,967)	86,284	25,814	82,836
Under provision of deferred tax in prior years	61,218	2,484	7,199	-
	2,219,025	3,137,636	48,855	92,881

9. Earnings 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	
	2023	2022
Profit for the financial year attributable to owners of the parent (RM)	6,968,656	9,554,898
Weighted average number of ordinary shares in issue (units)	626,050,000	626,050,000
Basic earnings per ordinary share (cent)	1.11	1.53
Diluted earnings per ordinary share (cent)	1.11	1.53

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10. Property, plant and equipment

		Furniture, fittings and equipment RM	Office equipment RM	Total RM
Group 2023	Renovation RM			
Cost				
At 1 April 2022	620,689	234,371	610,013	1,465,073
Additions	-	142,608	36,190	178,798
Disposal	-	-	(4,200)	(4,200)
At 31 March	<u>620,689</u>	<u>376,979</u>	<u>642,003</u>	<u>1,639,671</u>
Accumulated depreciation				
At 1 April 2022	15,516	26,972	186,637	229,125
Charge for the financial year	62,070	36,465	137,625	236,160
Disposal	-	-	(308)	(308)
At 31 March	<u>77,586</u>	<u>63,437</u>	<u>323,954</u>	<u>464,977</u>
Carrying amount	<u>543,103</u>	<u>313,542</u>	<u>318,049</u>	<u>1,174,694</u>
		Furniture, fittings and equipment RM	Office equipment RM	Total RM
Group 2022	Renovation RM			
Cost				
At 1 April 2021	-	75,376	300,793	376,169
Additions	620,689	158,995	309,220	1,088,904
At 31 March	<u>620,689</u>	<u>234,371</u>	<u>610,013</u>	<u>1,465,073</u>
Accumulated depreciation				
At 1 April 2021	-	14,805	95,829	110,634
Charge for the financial year	15,516	12,167	90,808	118,491
At 31 March	<u>15,516</u>	<u>26,972</u>	<u>186,637</u>	<u>229,125</u>
Carrying amount	<u>605,173</u>	<u>207,399</u>	<u>423,376</u>	<u>1,235,948</u>

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10. Property, plant and equipment (continued)

Company 2023 Cost	Furniture, fittings and equipment RM	Office equipment RM	Total RM
At 1 April 2022/31 March	5,400	202,883	208,283
Accumulated depreciation			
At 1 April 2022	270	52,793	53,063
Charge for the financial year	540	72,641	73,181
At 31 March	810	125,434	126,244
Carrying amount	4,590	77,449	82,039
Company 2022 Cost	Furniture, fittings and equipment RM	Office equipment RM	Total RM
At 1 April 2021	-	38,860	38,860
Additions	5,400	164,023	169,423
At 31 March	5,400	202,883	208,283
Accumulated depreciation			
At 1 April 2021	-	15,544	15,544
Charge for the financial year	270	37,249	37,519
At 31 March	270	52,793	53,063
Carrying amount	5,130	150,090	155,220

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11. Right-of-use assets

	Motor vehicle RM	Office RM	Total RM
Group 2023			
Carrying amount			
At 1 April 2022	507,111	83,184	590,295
Addition	291,910	-	291,910
Depreciation during the year	(172,954)	(32,840)	(205,794)
At 31 March	<u>626,067</u>	<u>50,344</u>	<u>676,411</u>
2022			
Carrying amount			
At 1 April 2021	-	16,639	16,639
Addition	597,183	99,821	697,004
Depreciation during the year	(90,072)	(33,276)	(123,348)
At 31 March	<u>507,111</u>	<u>83,184</u>	<u>590,295</u>

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

12. Investment in subsidiaries

	Company	
	2023 RM	2022 RM
Unquoted shares, at cost:		
At 1 April 2022/2021	36,615,440	34,754,440
Additions	-	1,861,000
At 31 March	<u>36,615,440</u>	<u>36,615,440</u>

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

Name of Company:	Effective equity interest		Principal activities
	2023	2022	
Aurora Italia Sdn. Bhd.	100%	100%	Wholesale, manufacturing and retail jewellers for all kinds of premium jewellery
PG Jewel Sdn. Bhd.	100%	100%	Trading of all kinds of jewellery and goldsmith products

All subsidiaries are audited by PKF PLT.

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12. Investment in subsidiaries (continued)

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 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

	Group	
	2023	2022
	RM	RM
At cost	<u>27,027,824</u>	<u>27,027,824</u>

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 jewellerys. 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 a growth of 5% in the following 5 years which in line with the business plan.

A pre-tax discount rate of 9.94% (2022: 9%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital.

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.

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14. Inventories

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At cost:				
Raw materials	1,649,793	969,521	-	-
Finished goods	21,602,321	26,608,095	-	-
	<u>23,252,114</u>	<u>27,577,616</u>	<u>-</u>	<u>-</u>
Recognised in profit and loss:				
Inventories recognised in cost of sales	<u>133,993,570</u>	<u>104,508,506</u>	<u>-</u>	<u>-</u>

15. Trade receivables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables	3,533,466	6,683,797	-	-
Less: Impairment				
At 1 April 2022/2021	(16,264)	(268,059)	-	-
Addition	-	-	-	-
Reversal	15,147	251,795	-	-
At 31 March	<u>(1,117)</u>	<u>(16,264)</u>	<u>-</u>	<u>-</u>
	<u>3,532,349</u>	<u>6,667,533</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 (2022: 30 days to 90 days).

16. Non-trade receivables, deposits and prepayments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade receivables	301,232	164,529	1,476,000	132,000
Deposits	68,750	42,000	-	500
Prepayments	4,347,362	2,620,725	341,749	288,749
	<u>4,717,344</u>	<u>2,827,254</u>	<u>1,817,749</u>	<u>421,249</u>

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17. Fixed deposits with licensed banks

Fixed deposits with licensed banks have an effective interest rate which range NIL (2022:1.65% to 1.78%) per annum and an average maturity period ranging NIL (2022: 60 to 90 days).

18. Cash and bank balances

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash in hand	7,364	4,611	-	10
Cash at bank	21,552,841	2,977,217	768,823	216,784
	<u>21,560,205</u>	<u>2,981,828</u>	<u>768,823</u>	<u>216,794</u>

19. Share capital

	Group and Company			
	2023	2022	2023	2022
	← Number of Shares →		RM	RM
Issued and fully paid:				
At 1 April 2022/2021/				
31 March	<u>626,050,000</u>	<u>626,050,000</u>	<u>37,814,950</u>	<u>37,814,950</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.

20. Retained earnings

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

	Group	
	2023	2022
	RM	RM
Representing:		
Current liabilities	147,881	154,073
Non-current liabilities	298,327	294,837
	<u>446,208</u>	<u>448,910</u>

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21. Lease liabilities (continued)

	Group	
	2023	2022
	RM	RM
Recognised in profit or loss:		
Expenses relating to short term leases	-	36,000
Interest expense	26,017	14,291

The total cash outflow for leases for the financial year ended 31 March 2023 is RM208,719 (2022: RM133,020).

22. Deferred tax liabilities

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
At 1 April 2022/2021	73,524	29,758	7,761	-
Recognised in profit or loss (Note 8)	85,797	43,766	8,286	7,761
At 31 March	159,321	73,524	16,047	7,761

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

	Property, plant and equipment	Total
	RM	RM
Deferred tax liabilities of the Group		
At 1 April 2022	73,524	73,524
Recognised in profit or loss	85,797	85,797
At 31 March 2023	159,321	159,321
At 1 April 2021	29,758	29,758
Recognised in profit or loss	43,766	43,766
At 31 March 2022	73,524	73,524
Deferred tax liabilities of the Company		
At 1 April 2022	7,761	7,761
Recognised in profit or loss	8,286	8,286
At 31 March 2023	16,047	16,047
At 1 April 2021	-	-
Recognised in profit or loss	7,761	7,761
At 31 March 2022	7,761	7,761

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23. Trade payables

Credit terms of trade payables granted to the Company vary from cash on delivery to 30 to 90 days (2022: 30 to 90 days).

24. Non-trade payables and accruals

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-trade payables	1,268,198	53,332	1,252,176	6,114
Accruals	1,316,083	926,262	36,863	44,258
Deposit received	22,200	3,000	-	-
Prepayment paid	230,107	143,328	-	-
	<u>2,836,588</u>	<u>1,125,922</u>	<u>1,289,039</u>	<u>50,372</u>

25. Amount due to related parties

The amount due to 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 (2022: 30 to 60 days).

Significant related party transactions have been disclosed in Note 27 of the financial statements.

26. Dividends

	Gross dividend per share	Amount of dividend net of tax	Date of payment
	RM	RM	
2023			
Interim single-tier dividend	0.002	<u>1,252,100</u>	28 April 2023

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27. 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.

(b) Significant related party transactions

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

	Company	
	2023	2022
	RM	RM
With subsidiaries:		
Aurora Italia Sdn. Bhd.		
- Management fee	528,000	528,000
- Payment received	(528,000)	(581,000)
- Advance from	-	43,200
- Payment made	(3,892)	159,810
- Purchase from	3,892	-
- Payment on behalf	(4,200)	-
PG Jewel Sdn. Bhd.		
- Management fee	792,000	792,000
- Payment received	(729,000)	(792,000)

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27. Significant related party transactions (continued)

(b) Significant related party transactions (continued)

The Group and Company have related party transactions with the following company: (continued)

	2023	Group
	RM	2022
		RM
With related parties:		
PG Mall Sdn. Bhd.		
- Service rendered	(2,540,622)	(3,221,046)
- Service rendered (E-fulfilment)	1,578,620	1,280,775
- Payment made	2,540,622	3,221,046
- Payment received	1,462,324	-
Public Gold Mint Sdn. Bhd.		
- Services rendered	(808,961)	(482,391)
- Payment made	718,700	433,252
Public Gold Marketing Sdn. Bhd.		
- Purchases	(130,974,924)	(92,217,224)
- Payment made	128,348,324	106,482,418
- Sales	2,533,096	2,898,331
- Service rendered (E-fulfilment)	-	299,946
- Payment received	(3,435,247)	(3,425,562)
Public Silver Sdn. Bhd.		
- Operating lease of office	(72,000)	(72,000)
- Payment made	72,000	72,000
PG Property Management Sdn. Bhd.		
- Operating lease of office	(157,500)	-
- Payment made	157,500	-

The significant balances with subsidiaries are disclosed in Notes 25 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.

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28. Segmental information

The Company is principally engaged in trade of jewellerys and dealers in all kinds of premium jewellerys. 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.

29. 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"):

Group 2023	Carrying amount RM	AC RM
Financial assets		
Trade receivables	3,532,349	3,532,349
Non-trade receivables and deposits (excluding prepayments)	369,982	369,982
Cash and bank balances	21,560,205	21,560,205
	<u>25,462,536</u>	<u>25,462,536</u>
Financial liabilities		
Trade payables	20,412,437	20,412,437
Non-trade payables and accruals	2,836,588	2,836,588
Amount due to related parties	9,686	9,686
Lease liabilities	446,208	446,208
	<u>23,704,919</u>	<u>23,704,919</u>

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29. Financial instruments (continued)

Categories of financial instrument (continued)

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

Group	Carrying	AC
2022	amount	RM
	RM	
Financial assets		
Trade receivables	6,667,533	6,667,533
Non-trade receivables and deposits (excluding prepayments)	206,529	206,529
Fixed deposits with licensed banks	3,900,000	3,900,000
Cash and bank balances	2,981,828	2,981,828
	<u>13,755,890</u>	<u>13,755,890</u>
Financial liabilities		
Trade payables	17,740,016	17,740,016
Non-trade payables and accruals	1,125,922	1,125,922
Amount due to related parties	149,479	149,479
Lease liabilities	448,910	448,910
	<u>19,464,327</u>	<u>19,464,327</u>
Company		
2023		
Financial assets		
Non-trade receivables and deposits (excluding prepayments)	1,476,000	1,476,000
Cash and bank balances	768,823	768,823
	<u>2,244,823</u>	<u>2,244,823</u>
Financial liabilities		
Non-trade payables and accruals	1,289,039	1,289,039
Amount due to a related party	4,200	4,200
	<u>1,293,239</u>	<u>1,293,239</u>

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29. Financial instruments (continued)

Categories of financial instrument (continued)

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

Company	Carrying	AC
2022	amount	RM
	RM	
Financial assets		
Non-trade receivables and deposits (excluding prepayments)	132,500	132,500
Fixed deposits with licensed bank	900,000	900,000
Cash and bank balances	216,794	216,794
	<u>1,249,294</u>	<u>1,249,294</u>
Financial liabilities		
Non-trade payables and accruals	50,372	50,372
Amount due to a related party	133,500	133,500
	<u>183,872</u>	<u>183,872</u>

Net gains/(losses) arising from financial instruments

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Net gains/(losses) arising on:				
Interest income	55,990	23,083	13,255	6,215
Reversal of impairment on financial assets	15,147	251,795	-	-
	<u>71,137</u>	<u>274,878</u>	<u>13,255</u>	<u>6,215</u>
Financial liabilities measured at amortised cost				
Interest expense	<u>(26,017)</u>	<u>(14,291)</u>	<u>-</u>	<u>-</u>

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29. 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, interest rate risk, cash flow 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, interest rate risk, cash flow 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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29. Financial instruments (continued)

Financial risk management objectives and policies (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:

	Gross amount RM	Loss allowance RM	Carrying amount RM
2023			
Not past due	2,305,255	-	2,305,255
Past due			
- 1 to 30 days	1,007,004	-	1,007,004
- 31 to 60 days	-	-	-
- 61 to 90 days	18,223	-	18,223
- 91 to 120 days	202,984	(1,117)	201,867
	<u>3,533,466</u>	<u>(1,117)</u>	<u>3,532,349</u>
2022			
Not past due	4,770,845	-	4,770,845
Past due			
- 1 to 30 days	585,661	-	585,661
- 31 to 60 days	297,878	-	297,878
- 61 to 90 days	59,733	-	59,733
- 91 to 120 days	969,680	(16,264)	953,416
	<u>6,683,797</u>	<u>(16,264)</u>	<u>6,667,533</u>

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29. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policies are to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates its effective interest rates at the reporting date and the periods in which they mature or are repriced.

Group 2022	Effective interest rate per annum %	Total RM
Financial asset		
Fixed deposits with licensed banks	1.65 to 1.78	3,900,000

Interest rate risk sensitivity analysis

The following table details the sensitivity to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant, on the Group's equity and profits:

Group	2022 Increase/ (Decrease) RM
Effects on profit after taxation	
Increase of 10 basis point	2,964
Decrease of 10 basis point	(2,964)

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.

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29. Financial instruments (continued)

Financial risk management objectives and policies (continued)

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:

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	1 - 5 years RM
Group 2023				
Trade payables	20,412,437	20,412,437	20,412,437	-
Non-trade payables and accruals	2,836,588	2,836,588	2,836,588	-
Amount due to related parties	9,686	9,686	9,686	-
Lease liabilities	446,208	484,126	167,158	316,968
	<u>23,704,919</u>	<u>23,742,837</u>	<u>23,425,869</u>	<u>316,968</u>
2022				
Trade payables	17,740,016	17,740,016	17,740,016	-
Non-trade payables and accruals	1,125,922	1,125,922	1,125,922	-
Amount due to related parties	149,479	149,479	149,479	-
Lease liabilities	448,910	487,105	171,000	316,105
	<u>19,464,327</u>	<u>19,502,522</u>	<u>19,186,417</u>	<u>316,105</u>

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29. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Maturity analysis (continued)

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: (continued)

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	1 - 5 years RM
Company 2023				
Non-trade payables and accruals	1,289,039	1,289,039	1,289,039	-
Amount due to related parties	4,200	4,200	4,200	-
	<u>1,293,239</u>	<u>1,293,239</u>	<u>1,293,239</u>	<u>-</u>
2022				
Non-trade payables and accruals	50,372	50,372	50,372	-
Amount due to related parties	133,500	133,500	133,500	-
	<u>183,872</u>	<u>183,872</u>	<u>183,872</u>	<u>-</u>

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 at 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.

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30. 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 disclosed in Note 12 to the financial statements.

The registered office of the Company is located at 170-09-01 Livingston Tower, Jalan Argyll, 10050 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 28 July 2023.