



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 31 December 2022

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 March 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2022.

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 March 2022 under the Malaysian Financial Reporting Standards (MFRSs) framework except for the adoption of the following MFRSs:

Effective for annual period beginning on or after 1 January 2022

MFRS 3	Business Combinations
MFRS 9	Financial Instruments: Disclosures
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above standards did not have a significant financial impact to the Group.

Effective for annual periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
MFRS 101	Presentation of Financial Statements
MFRS 107	Statements of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 140	Investment Property

The Group will adopt the above MFRSs when they become effective in the respective financial periods. These MFRSs may have an impact on the amounts reported and disclosure made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of the above accounting standards until the Group performs the detailed review.



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 31 December 2022

A2 Audit Report of Preceding Annual Financial Statement

The independent auditors reported the following material uncertainty related to going concern on the audited financial statements for the year ended 31 March 2022:

"As disclosed in Note 2.7 to the financial statements, which disclosed that the Group and the Company reported a net loss of RM9.102 million and RM10.959 million respectively during the financial year ended 31 March 2022 thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter".

A3 Seasonal or Cyclical Factors

The Group is principally engaged in the following business operations:

- a) Hotel
- b) Property
- c) Travel

The major festivities and school holidays generally affect the performance of Hotel & Travel Division. The performance of Property Division is affected by the sentiments of the property cycle, as the division's profitability is dependent on the sale of its properties.

A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

A5 Accounting Estimates

There were no changes in estimates of amounts reported in prior financial quarters of the current financial year or in prior financial years that have a material effect in the current financial quarter.

A6 Issuance or Repayment of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year to date.

A7 Dividend Paid

There were no dividends paid during the year under review.



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 31 December 2022

A8 Segmental Reporting

a) Revenue

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2022 (RM'000)	Preceding Quarter Ended 31.12.2021 (RM'000)	Current Year Ended 31.12.2022 (RM'000)	Preceding Year Ended 31.12.2021 (RM'000)
Continuing Operations				
Hotel	11,659	11,136	29,911	13,440
Property	4,148	1,857	9,840	4,144
Travel	3,296	803	8,681	1,767
Grand Total	19,103	13,796	48,432	19,351

b) Profit / (loss) before tax

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2022 (RM'000)	Preceding Quarter Ended 31.12.2021 (RM'000)	Current Year Ended 31.12.2022 (RM'000)	Preceding Year Ended 31.12.2021 (RM'000)
Continuing Operations				
Hotel	2,258	3,010	3,843	(4,245)
Property	(41)	(377)	(902)	(1,551)
Travel	278	(126)	398	(531)
Holding company & others	(1,770)	(2,111)	(4,859)	(5,395)
Grand Total	725	396	(1,520)	(11,722)

A9 Material Subsequent Events

There were no material events subsequent to the current financial period ended 31 December 2022 and up to the date of this report.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period ended 31 December 2022 and up to the date of this report.

A11 Significant related party transactions

There were no significant related party transactions for the current financial period ended 31 December 2022 and up to the date of this report.



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 31 December 2022

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance of the Company and its Principal Subsidiaries

	3 months ended		Changes	
	Current year quarter ended 31.12.2022 (RM'000)	Preceding year quarter ended 31.12.2021 (RM'000)	(RM'000)	%
Revenue	19,103	13,796	4,031	29%
EBITDA	4,913	4,349	564	13%
Profit before taxation	725	396	329	83%

The Group reported revenue, EBITDA and profit before taxation of RM19.1 million, RM4.9 million and RM0.7 million respectively for the current financial quarter under review. This represents an increase in revenue of 29% against the corresponding financial quarter.

Hotel Divisions recorded an increase of 5% in revenue compared to preceding year same quarter. The increase was mainly due to the increase in business volume as a result of the easing of travel restriction. Property Division recorded an increase of 123% mainly due to the recognition of progressive billing for Desa Impian project at Johor and the sale of some completed units. Travel Division has recorded an increase of 310% in revenue mainly due to higher business volume as a result of the opening of international border and easing of travel restrictions.

The earnings before interest, tax, depreciation and amortisation ("EBITDA") of the Group for the current quarter was RM4.9 million compared with previous year's corresponding quarter of RM4.3 million, an improvement of RM0.6 million. The improvement was mainly due to the higher revenue achieved in the current quarter as compared to previous year's corresponding quarter.



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 31 December 2022

B2 Material Changes in the Quarterly Results as compared to the Preceding quarter

	3 months ended		Changes	
	Current quarter ended 31.12.2022 (RM'000)	Preceding quarter ended 30.09.2022 (RM'000)	(RM'000)	%
Revenue	19,103	16,261	2,842	17%
EBITDA	4,913	3,283	1,633	50%
Profit /(loss) before taxation	725	(562)	1,287	229%

Revenue of the Group for the current quarter recorded RM19.1 million, an increase of 17% compared to the preceding quarter of RM16.2 million. The increase was mainly due to higher revenue registered by Hotel and Property Divisions.

The Hotel Divisions recorded an increase of 14% in revenue compared to preceding quarter. The increase was mainly due to the increase in business volume due to intensive marketing and seasonality. Property Division recorded an increase of 52% in revenue mainly due to the recognition of progressive billing for Desa Impian project at Johor.

The EBITDA of the Group for the current quarter was RM4.9 million compared with EBITDA of RM3.3 million in the preceding quarter. The higher EBITDA in the current quarter was mainly due to higher revenue achieved by the Hotel Divisions and Property Division.

B3 Variance from Profit Forecast

Not applicable.

B4 Commentary on Prospect

The global economic environment is expected to remain challenging from continued headwinds posed by geopolitical tensions and high inflation.

Following the relaxation of COVID-19 restrictions and the ongoing recovery of travel in Asia, alongside with China's reopening, the Group is cautiously optimistic of the improving general market condition in the near-term and remains positive in the longer-term. Our business has continued to recover well, and the Group will focus on strategies to improve the performance by providing additional facilities and packages.

We will continue to take proactive measures to remain resilient and will explore new opportunities and ideas to further improve the Group's performance.



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 31 December 2022

B5 Profit / (loss) before tax

Profit / (loss) before tax is derived after charging / (credited) of the following:

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2022 (RM'000)	Preceding Quarter Ended 31.12.2021 (RM'000)	Current Year Ended 31.12.2022 (RM'000)	Preceding Year Ended 31.12.2021 (RM'000)
Interest income	(3)	3	(5)	(3)
Rental income	(17)	(17)	(50)	(50)
COVID-19 related rent concessions income	0	(8)	(13)	(37)
COVID-19 fund from government	(14)	(45)	(29)	(203)
Impairment loss on trade receivables	4	(0)	104	0

B6 Taxation

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2022 (RM'000)	Preceding Quarter Ended 31.12.2021 (RM'000)	Current Year Ended 31.12.2022 (RM'000)	Preceding Year Ended 31.12.2021 (RM'000)
a) Income Tax				
i) Current year	69	0	232	0
ii) Under provision in prior year	0	1	4	8
Total	69	1	236	8

The Group tax rate is higher than the statutory tax rate applicable due to the Provision of taxation on profit by certain subsidiary companies.

B7 Status of Corporate proposals

On 17 October 2019 the Company announced the proposed listing and quotation of up to 188,881,350 Placement Shares and an issuance of up to 566,644,050 free warrants on the basis of one Warrant for every two ordinary shares of the Company held on an entitlement date to be determined by the Board and announced at a later date.

In June 2021, the Company had placed out 2,083,334 Placement Shares at RM0.12 each and listed on the Main Market of Bursa Securities on 21 June 2021. The Company had further placed out 96,333,330 Placement Shares at RM0.12 each and 90,464,686 Placement Shares at RM0.12 each in August and November 2021 respectively, of which such Placement Shares were listed on the Main Market of Bursa Securities on 24 August and 19th November 2021 respectively.



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 31 December 2022

The status of utilization of proceeds raised from the abovementioned Placement Shares as at 31 December 2022 were as follows:

	Circular dated 3rd Dec 2019	proceeds Raised	Approved Revised	Amount Utilised	Amount Unutilised	Intended Timeframe for Utilisation
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
Repayment of bank borrowings	6,000	6,000	4,889	4,889	0	
Asset enhancement & refurbishment programme	10,000	10,000	5,611	967	4,644	Within 6 mths
Part funding of Desa Impian Project	3,000	3,000	3,000	3,000	0	
General working capital	7,093	3,316	8,816	8,816	0	
Estimated expenses	350	350	350	350	0	
Total	26,443	22,666	22,666	18,022	4,644	



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report For The Quarter Ended 31 December 2022

B8 Group Borrowings

a) Banking Facilities

	As at 31.12.2022			As at 31.12.2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
a) Short term borrowings	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
i. Overdraft	16,597	997	17,594	10,962	1,631	12,593
ii. Revolving Credit	8,925	-	8,925	9,475	-	9,475
iii. Long term loans repayable within 12 months	5,900	-	5,900	8,400	-	8,400
iv. Lease Liabilities / Finance lease liability repayable within 12 months	897	-	897	814	-	814
v. Total	<u>32,319</u>	<u>997</u>	<u>33,316</u>	<u>29,651</u>	<u>1,631</u>	<u>31,282</u>
b) Long term borrowings						
i. Long term loans	58,591	-	58,591	60,714	-	60,714
Less portion payable within 12 months	(5,900)	-	(5,900)	(8,400)	-	(8,400)
	<u>52,691</u>	<u>0</u>	<u>52,691</u>	<u>52,314</u>	<u>0</u>	<u>52,314</u>
ii. Lease Liabilities / Finance lease liability	1,117	-	1,117	3,152	-	3,152
Less portion payable within 12 months	(897)	-	(897)	(814)	-	(814)
	<u>220</u>	<u>0</u>	<u>220</u>	<u>2,338</u>	<u>0</u>	<u>2,338</u>
iii. Total	52,911	0	52,911	54,652	0	54,652
c) Total borrowings	85,230	997	86,227	84,303	1,631	85,934

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 31 December 2022 was RM0.421 million (HKD0.743 million) and as at 31 December 2021 was RM0.316 million (HKD0.589 million).



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report For The Quarter Ended 31 December 2022

B9 Derivative Financial Instruments

The Group is not a party to any financial instruments, which may have an effect to the derivative financial instruments at the date of this report.

B10 Material Litigation

There was no material litigation pending as at the date of this announcement

B11 Losses Per Share

a) Basic

Basic earnings/(losses) per share is calculated by dividing the net profit/(loss) attributable to the shareholders for the current financial period ended 31 December 2022 as follows:

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2022 (RM'000)	Preceding Quarter Ended 31.12.2021 (RM'000)	Current Year Ended 31.12.2022 (RM'000)	Preceding Year Ended 31.12.2021 (RM'000)
Net profit/(loss) attributable To Equity holders of the Parent (RM'000)	656	418	(1,717)	(11,528)
Basic ('000)				
Total Weighted average number of ordinary shares	1,133,288	1,008,945	1,133,288	1,008,945
Basic earnings/(losses) per share (sen)	0.06	0.04	(0.15)	(1.14)

b) Diluted

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue as at the end of the current financial period ended 31 December 2022.

B12 Authorisation for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 February 2023.