



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 31 December 2023

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 2023. 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 2023.

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 2023 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 2023

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards*
MFRS 3	Business Combinations*
MFRS 7	Financial Instruments: Disclosures*
MFRS 9	Financial Instruments*
MFRS 15	Revenue from Contracts with Customers*
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 116	Property, Plant and Equipment*
MFRS 119	Employee Benefits*
MFRS 132	Financial Instruments: Presentation*
MFRS 136	Impairment of Assets*
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets*
MFRS 140	Investment Property*

* *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts.*

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



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A1 Basis of Preparation (Cont'd)

Effective for annual periods beginning on or after 1 January 2024

MFRS 16 Leases

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.

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 2023:

"As disclosed in Note 2.6 to the financial statements, which disclosed that the Group and the Company reported a net loss of RM5.402 million and RM4.840 million respectively during the financial year ended 31 March 2023 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.



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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.

A8 Segmental Reporting

a) Revenue

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2023 (RM'000)	Preceding Quarter Ended 31.12.2022 (RM'000)	Current Year Ended 31.12.2023 (RM'000)	Preceding Year Ended 31.12.2022 (RM'000)
Continuing Operations				
Hotel	11,482	11,659	29,519	29,911
Property	3,760	4,148	11,723	9,840
Travel	4,821	3,296	15,621	8,681
Grand Total	20,063	19,103	56,863	48,432

b) Profit / (loss) before tax

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2023 (RM'000)	Preceding Quarter Ended 31.12.2022 (RM'000)	Current Year Ended 31.12.2023 (RM'000)	Preceding Year Ended 31.12.2022 (RM'000)
Continuing Operations				
Hotel	2,063	2,258	2,715	3,843
Property	233	(41)	(599)	(902)
Travel	301	278	869	398
Holding company & others	(1,621)	(1,770)	(5,096)	(4,859)
Grand Total	976	725	(2,111)	(1,520)

A9 Material Subsequent Events

There were no material events subsequent to the current financial period ended 31 December 2023 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 2023 and up to the date of this report.



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A11 Significant related party transactions

There were no significant related party transactions for the current financial period ended 31 December 2023 and up to the date of this report.

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 31.12.2023 (RM'000)	Preceding year quarter ended 31.12.2022 (RM'000)	(RM'000)	%
Revenue	20,063	19,103	960	5%
Earnings before interest, tax, depreciation, and amortization "EBITDA"	5,077	4,913	164	3%
Profit before taxation	976	725	251	35%

The Group reported revenue, EBITDA and profit before taxation of RM20.06 million, RM5.08 million and RM0.98 million respectively for the current financial quarter under review.

While the revenue for the Hotel and Property division have reduced slightly by 2% and 9% respectively, the Travel division has recorded an increase of 46% in revenue mainly due to higher business volume from the Meeting, Incentive, Convention and Exhibition (MICE) Group.

The EBITDA of the Group for the current quarter was RM5.08 million compared with previous year's corresponding quarter of RM4.91 million. The improvement was mainly due to:

- a) Higher revenue achieved in the current quarter by Travel division
- b) Reversal of provision for Liquidated and Ascertained Damages for the Property division



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

	3 months ended		Changes	
	Current quarter ended 31.12.2023 (RM'000)	Preceding quarter ended 30.09.2023 (RM'000)	(RM'000)	%
Revenue	20,063	19,830	233	1%
EBITDA	5,077	3,889	1,188	31%
Profit / (Loss) before taxation	976	(230)	1,206	524%

Revenue of the Group for the current quarter recorded at RM20.06 million, an increase of 1% compared to the preceding quarter of RM19.83 million. While Travel Division recorded a reduction in revenue of 31%, Hotel and Property Division have recorded an increase in revenue of 14% and 37% respectively due to seasonality

The EBITDA of the Group was 31% higher than the preceding quarter. The improvement was mainly due to:

- Higher revenue achieved in the current quarter by Hotel and Property division.
- Reversal of provision for Liquidated and Ascertained Damages for the Property division

B3 Variance from Profit Forecast

Not applicable.

B4 Commentary on Prospect

Barring unforeseen circumstances, the Group is expected to better its performance in the near future.

B5 Profit / (loss) before tax

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

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2023 (RM'000)	Preceding Quarter Ended 31.12.2022 (RM'000)	Current Year Ended 31.12.2023 (RM'000)	Preceding Year Ended 31.12.2022 (RM'000)
Interest income	(12)	(3)	(78)	(5)
Rental income	(22)	(17)	(65)	(50)
COVID-19 fund from government	(8)	(14)	(31)	(29)
Reversal of Liquidated Ascertained Damages	(263)	0	(848)	0
COVID-19 related rent concessions income	0	0	0	(13)
Impairment loss on trade receivables	0	4	0	104



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B6 Taxation

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2023 (RM'000)	Preceding Quarter Ended 31.12.2022 (RM'000)	Current Year Ended 31.12.2023 (RM'000)	Preceding Year Ended 31.12.2022 (RM'000)
a) Income Tax				
i) Current year	87	69	180	232
ii) (Over) / under provision in prior year	(13)	0	(13)	4
Total	74	69	167	236

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.

The status of utilization of proceeds raised from the abovementioned Placement Shares as at 31 December 2023 were as follows:

	Circular dated 3rd Dec 2019 (RM'000)	Proceeds Raised (RM'000)	Approved Revised (RM'000)	Amount Utilised (RM'000)	Amount Unutilised (RM'000)	Intended Timeframe for Utilisation
Repayment of bank borrowings	6,000	6,000	4,889	4,889	0	
Asset enhancement & refurbishment programme	10,000	10,000	5,611	1,271	4,340	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	18,326	4,340	



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B8 Group Borrowings

a) Banking Facilities

	As at 31.12.2023			As at 31.12.2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
a) Short term borrowings	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
i. Overdraft	19,776	-	19,776	16,597	997	17,594
ii. Revolving Credit	6,825	-	6,825	8,925	-	8,925
iii. Long term loans repayable within 12 months	6,600	-	6,600	5,900	-	5,900
iv. Lease Liabilities / Hire purchase payable repayable within 12 months	1,777	-	1,777	897	-	897
v. Total	<u>34,978</u>	<u>0</u>	<u>34,978</u>	<u>32,319</u>	<u>997</u>	<u>33,316</u>
b) Long term borrowings						
i. Long term loans	54,117	-	54,117	58,591	-	58,591
Less portion payable within 12 months	(6,600)	-	(6,600)	(5,900)	-	(5,900)
	<u>47,517</u>	<u>0</u>	<u>47,517</u>	<u>52,691</u>	<u>0</u>	<u>52,691</u>
ii. Lease Liabilities / Hire purchase payable	5,284	-	5,284	1,117	-	1,117
Less portion payable within 12 months	(1,777)	-	(1,777)	(897)	-	(897)
	<u>3,507</u>	<u>0</u>	<u>3,507</u>	<u>220</u>	<u>0</u>	<u>220</u>
iii. Total	51,024	0	51,024	52,911	0	52,911
c) Total borrowings	86,002	0	86,002	85,230	997	86,227

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 31 December 2023 was RM0.549 million (HKD0.935 million) and as at 31 December 2022 was RM0.421 million (HKD0.743 million).



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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 Earnings / (Loss) Per Share

a) Basic

Basic earnings / (loss) per share is calculated by dividing the net profit / (loss) attributable to the shareholders for the current financial period ended 31 December 2023 as follows:

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2023 (RM'000)	Preceding Quarter Ended 31.12.2022 (RM'000)	Current Year Ended 31.12.2023 (RM'000)	Preceding Year Ended 31.12.2022 (RM'000)
Net profit / (loss) attributable to Equity holders of the Parent (RM'000)	878	656	(2,128)	(1,717)
Basic ('000)				
Total Weighted average number of ordinary shares	1,133,288	1,133,288	1,133,288	1,133,288
Basic earnings / (loss) per share(sen)	0.08	0.06	(0.19)	(0.15)

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 2023.

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 23 February 2024.