Registration No. 199301013018 (244521 A)

AVILLION BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020 Current Period Quarter Ended 30-Sep (RM'000)	2019 Preceding Period Quarter Ended 30-Sep (RM'000)	2020 Current 6 months Cumulative to date 30-Sep (RM'000)	2019 Current 6 months Cumulative to date 30-Sep (RM'000)
CONTINUING OPERATIONS				
Revenue	9,643	19,825	12,331	34,924
Operating Expenses	-8,230	-17,914	-13,487	-33,656
Other Operating Income	367	23	704	171
	1,780	1,934	-452	1,439
Depreciation and amortisation	-2,078	-2,923	-4,162	-5,801
Finance income	1	0	6	68
Finance costs	-1,544	-1,815	-3,107	-3,711
Loss before tax	**-1,841**	**-2,804**	**-7,715**	**-8,005**
Taxation	0	-344	0	-687
Net loss for the period	**-1,841**	**-3,148**	**-7,715**	**-8,692**
Net loss Attributable to :				
Owners of the Company	-1,759	-3,306	-7,480	-8,733
Non-controlling interests	-82	158	-235	41
	-1,841	**-3,148**	**-7,715**	**-8,692**
Basic losses per share (sen)	**(0.19)**	**(0.36)**	**(0.82)**	**(0.95)**
Diluted earning per share	**N /A**	**N /A**	**N /A**	**N /A**

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2020)

Registration No. 199301013018 (244521 A)

AVILLION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020 Current Period Quarter Ended 30-Sep (RM'000)	2019 Preceding Period Quarter Ended 30-Sep (RM'000)	2020 Current 6 months Cumulative to date 30-Sep (RM'000)	2019 Preceding Year Period Ended 30-Sep (RM'000)
Net loss for the period	-1,841	-3,148	-7,715	-8,692
Items that may be reclassified subsequently to profit or loss :				
Foreign currency translation differences on foreign operations	-252	-23	-81	251
Net changes in fair value of financial assets	0	-8	0	-7
Total comprehensive loss for the period	**-2,093**	**-3,179**	**-7,796**	**-8,448**
Total Comprehensive loss Attributable to :				
Owners of the Company	-2,011	-3,337	-7,561	-8,489
Non-controlling interests	-82	158	-235	41
	-2,093	**-3,179**	**-7,796**	**-8,448**

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2020)

Registration No. 199301013018 (244521 A)

AVILLION BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	As at 30-Sep-20 (RM'000) (Unaudited)	As at 31-Mar-20 (RM'000) (Audited)
ASSETS:		
Non-current assets		
Property, plant & equipment	236,864	239,124
Investment properties	2,795	2,827
Inventories	72,732	72,724
Total non-current assets	**312,391**	**314,675**
Current assets		
Inventories	41,132	41,284
Trade and other receivables	7,637	7,037
Tax recoverable	977	946
Fixed deposits with licenced banks	1,021	1,298
Cash and bank balances	4,771	4,786
Total current assets	**55,538**	**55,351**
TOTAL ASSETS	**367,929**	**370,026**
EQUITY AND LIABILITIES:		
Equity attributable to equity holders of the parent:		
Share capital	213,429	213,429
Other Reserves	109,948	110,029
Accumulated losses	-123,099	-115,619
Attributable to equity holders of the parent	200,278	207,839
Non-controlling interests	**3,299**	**3,534**
TOTAL EQUITY	**203,577**	**211,373**
Non-current liabilities:		
Term Loan	55,899	50,247
Finance lease liabilities	108	134
Lease Liability	342	718
Deferred tax liabilities	36,824	36,824
Total non-current liabilities	**93,173**	**87,923**
Current liabilities		
Trade and other payables	29,007	21,894
Contract liabilities	358	210
Lease Liability	1,515	2,661
Amount owing to certain director	3,133	3,073
Short term borrowings	36,779	42,505
Finance lease liabilities	52	52
Taxation	335	335
Total current liabilities	**71,179**	**70,730**
TOTAL LIABILITIES	**164,352**	**158,653**
TOTAL EQUITY AND LIABILITIES	**367,929**	**370,026**

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2020)

Registration No. 199301013018 (244521 A)

AVILLION BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Share Capital (RM'000)	Currency Translation Reserve (RM'000)	Fair Value Reserve (RM'000)	Revaluation Reserve (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Non-Controlling Interests (RM'000)	Total Equity (RM'000)
6 months quarter ended 30 September 2020								
Balance at beginning of year as at 1 Apr. 2020	213,429	8,708	0	101,321	-115,619	207,839	3,534	211,373
Total comprehensive income/ (loss) for the period	0	-81		0	-7,480	-7,561	-235	-7,796
Balance at end of period	**213,429**	**8,627**	**0**	**101,321**	**-123,099**	**200,278**	**3,299**	**203,577**
6 months quarter ended 30 September 2019								
Balance at beginning of year as at 1 Apr. 2019	200,551	8,209	-4,689	104,677	-91,957	216,791	3,928	220,719
Total comprehensive income/ (loss) for the period	12,878	251	-7	0	-8,733	4,389	41	4,430
Balance at end of period	**213,429**	**8,460**	**-4,696**	**104,677**	**-100,690**	**221,180**	**3,969**	**225,149**

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2020)

Registration No. 199301013018 (244521 A)

AVILLION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020 6 months ended 30-Sep (RM'000)	2019 6 months ended 30-Sep (RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	-7,715	-8,005
Adjustments for :		
Non-cash items	4,191	5,650
Non-operating items (which are investing / financing)	3,101	3,428
Operating profit before changes in working capital	-423	1,073
Changes in working capital :		
Net Change in assets & receivables	-549	-1,118
Net Change in current liabilities	5,982	2,228
Cash generated from operations	5,010	2,183
Interest paid	-3,107	-3,711
Net Tax Refund / (Paid)	-32	188
Net cash flows generated from operating activities	1,871	-1,340
CASH FLOW FROM INVESTING ACTIVITIES		
Other investment	6	68
Proceeds from disposal of property, plant and equipment / land	0	202
Purchase of property, plant and equipment	-1,898	-677
Net withdrawal of fixed deposit with licenced banks	278	-9
Net cash flows generated from investing activities	-1,614	-416
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	0	12,878
Net Bank Borrowings	801	-5,256
Repayment of lease liabilities	-245	-1,774
Advance from certain director	60	-1,808
Net cash flows used in financing activities	616	4,040
Net change in cash & cash equivalents	**873**	**2,284**
Cash & cash equivalents at beginning of period	-16,444	-19,706
Effects of exchange rate changes on cash & cash equivalents at end of period	13	-26
Cash & cash equivalents at end of period	**-15,558**	**-17,448**
Cash & cash equivalents comprise the following:		
Cash and bank balances	4,771	4,038
Bank overdraft	-20,329	-21,486
	-15,558	**-17,448**

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2020)

AVILLION BERHAD

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 2020. 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 2020.

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 2020 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 2020

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
MFRS 139	Financial Instruments: Recognition and Measurement

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 2021

MFRS 17	Insurance Contracts

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 auditors' report on the Group's financial statement for the financial year ended 31 March 2020 contained a paragraph on material uncertainty related to going concern, as follows:

"We draw attention to Note 2.7 to the financial statements, which disclosed that the Group and the Company incurred a net loss of RM22.224 million and RM13.165 million respectively during the financial year ended 31 March 2020 and, as of that date, the Group's and the Company's current liabilities exceeded its current assets by RM15.379 million and RM55.325 million respectively 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 for the current financial period ended 30 September 2020 and up to the date of this report except for the impact of Covid-19 pandemic which has disrupted the business environment.

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.

A8 Segmental Reporting

a) Revenue

Continuing Operations	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30.09.20 (RM'000)	Preceding Quarter Ended 30.09.2019 (RM'000)	Current Year Ended 30.09.2020 (RM'000)	Preceding Year Ended 30.09.2019 (RM'000)
Hotel	7,586	9,438	8,745	17,219
Property	2,036	4,992	3,546	7,832
Travel	21	5,482	40	9,873
Holding company & others	0	(87)	0	0
Grand Total	**9,643**	**19,825**	**12,331**	**34,924**

b) Profit/(Loss) before taxation

Continuing Operations	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30.09.2020 (RM'000)	Preceding Quarter Ended 30.09.2019 (RM'000)	Current Year Ended 30.09.2020 (RM'000)	Preceding Year Ended 30.09.2019 (RM'000)
Hotel	648	(749)	(2,714)	(2,511)
Property	(440)	688	(1,264)	(56)
Travel	(114)	(290)	(314)	(1,117)
Holding company & others	(1,935)	(2,453)	(3,423)	(4,321)
Grand Total	**(1,841)**	**(2,804)**	**(7,715)**	**(8,005)**

A9 Material Subsequent Events

There were no material events subsequent for the current financial period ended 30 September 2020 and up to the date of this report except:

a) 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.

   The Company had submitted the Listing application to Bursa Securities on 15 November 2019 and approved by Bursa on 21 November 2019. The Proposed Private Placement was duly passed by the shareholders of the Company at the Extraordinary General Meeting held on 18 December 2019.

   The Company had announced on 13 November 2020, Bursa Securities has granted further extension of time of six (6) months from 21 November 2020 to 21 May 2021.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period ended 30 September 2020 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 30 September 2020 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

Group Revenue performance compared to the preceding year's same quarter has reduced by 51%. The lower revenue was mainly due to the impact of 2019 Novel Coronavirus (COVID-19) Movement Control Order (MCO) and Conditional Movement Control Order (CMCO) which has severely affected the business of the Hotel and Travel Division.

The Group reported a consolidated profit before interest, depreciation and tax of RM1.78 million in the quarter under review, 7% lower than preceding year's same quarter of RM1.934 million despite a drop in revenue of 51%. This is mainly due to the extensive cost optimization and staff rationalization carried out throughout the Group since the implementation of MCO in March 2020.

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

The Group consolidated revenue for the quarter under review has improved by 258% in comparison to the preceding quarter. The preceding quarter poor performance was mainly due to the impact of COVID-19 pandemic, MCO & CMCO which has severely affected the business of the Hotel and Travel Division. The lifting of the MCO and CMCO on 10 June 2020 has seen a surge in the occupancy of our Hotels in Port Dickson, Cameron and Pangkor. The improved performance in the current quarter was mainly contributed by the Hotel Division.

The Group registered a consolidated profit before interest, depreciation and tax of RM1.78 million for the quarter under review, against the consolidated loss before interest, depreciation and tax of RM2.232 million in preceding quarter mainly due to the improved performance of the Hotel Division.

B3 Variance from Profit Forecast

Not applicable.

B4 Commentary on Prospect

The current quarter under review (July-September 2020) witnessed the lifting of the MCO and CMCO with the whole country transitioning into a phased RMCO from 10 June 2020 until 10 October 2020 when CMCO was reimposed for most part of the country.

The RMCO period provided a brief respite for the Group as we witnessed a surge in our hotel occupancy especially during weekends and at our flagship hotel, Avillion Port Dickson. The MICE sector, in particular from the public sector was encouraging although the bottom lines are squeezed as a result of constraints imposed under the SOP and new normal, particularly in terms of the size of groups allowed. As mentioned previously, the period of MCO to RMCO has given our hotels invaluable lessons on cost optimization, flattening structures and efficient deployment of human capital. These and other creative and proactive measures adopted in meeting the challenges bore some fruit and led in a mild recovery in the current quarter. As a result, the current quarter saw the Group registering an operating profit of RM1.78 million, contributed primarily by the Hotel Division.

The on-going Covid-19 pandemic worldwide and especially the reimposition of the CMCO until 6 December 2020 was a big set-back for the Group. The on-going pandemic has already severely impacted the performance of the Travel and Property Division and the Hotel Division was a beacon of light and hope until CMCO was reimposed on 10 October 2020. The ban on inter-state and inter-district within Peninsula Malaysia led to cancellations and stoppage of all MICE groups in our hotels. As a result, occupancies and revenue quickly spiraled downwards to negligible levels. This in turn will impact the Group's performance in the coming quarter. We are hopeful that the end of CMCO on 6 December 2020 will bring some respite for the Group but the negative effects of the more than two months of CMCO will be severely felt in the coming quarter.

On the medium term, we will continue with our asset enhancement and refurbishment program for some of our hotels and resorts in preparation for the post-pandemic period. Our objective is to reclaim our dominant position as the preferred resort in Port Dickson and all the other locations of our hotels and resorts. These efforts will complement and support our objective of securing and adding more hotels to our stable of managed hotels on behalf of owners under the Avillion brand.

The Property Division will focus on selling the commercial units and remaining residential units of the on-going Phase 2A of the Desa Impian Project. We will carefully consider the planning and launching of Phase 2B of the Desa Impian Project in the coming quarter. The Travel Division which is based in Hong Kong and Singapore will continue to face headwinds and challenges. We are hopeful with limited visibility in view of the travel bubble agreed between Hong Kong and Singapore and hope more such bubbles will come forth with other countries in the near future or when the current pandemic abates. As such, our focus will be centered on rationalization and remaining lean but poised to ride on the recovery of the travel and aviation industry when the current pandemic ends.

B5 Loss before taxation

Loss before taxation is derived after charging / (credited) of the following:

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30.09.2020 (RM'000)	**Preceding Quarter Ended 30.09.2019 (RM'000)**	**Current Year Ended 30.09.2020 (RM'000)**	**Preceding Year Ended 30.09.2019 (RM'000)**
Interest income	(1)	87	(6)	(68)
Gain on disposal of Property, plant & Equipment / land	0	(162)	0	(162)
Rental income	(6)	(12)	(12)	(12)

B6 Taxation

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30.09.2020 (RM'000)	**Preceding Quarter Ended 30.09.2019 (RM'000)**	**Current Year Ended 30.09.2020 (RM'000)**	**Preceding Year Ended 30.09.2019 (RM'000)**
a) Income Tax				
i) Current taxation	0	344	0	687
b) Total	**0**	**344**	**0**	**687**

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 Corporate proposals

There were no other corporate proposals announced during the current quarter.

B8 Group Borrowings

a) Banking Facilities

	As at 30.09.2020			As at 30.09.2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
a) Short term borrowings	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
i Overdraft	18,710	1,619	20,329	19,522	1,964	21,486
ii. Revolving Credit	11,200	-	11,200	12,500	-	12,500
iii. Long term loans repayable within 12 months	5,250	-	5,250	14,125	-	14,125
iv. Finance lease repayable within 12 months	52	-	52	52	-	52
v. Total	35,212	1,619	36,831	46,199	1,964	48,163
b) Long term borrowings						
i. Long term loans	61,149	-	61,149	60,611	-	60,611
Less portion of long term loans payable within 12 months	(5,250)	-	(5,250)	(14,125)	-	(14,125)
	55,899	0	55,899	46,486	0	46,486
ii. Finance lease liability	160	-	160	212	-	212
Less portion of Hire purchase payable within 12 months	(52)	-	(52)	(52)	-	(52)
	108	0	108	160	0	160
iii. Total	56,007	0	56,007	46,646	0	46,646
c) Total borrowings	91,219	1,619	92,838	92,845	1,964	94,809

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 30 September 2020 was RM0.481 million (HKD0.896 million) and as at 30 September 2019 was RM2.926 million (HKD5.48 million).

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 except:

Our Company has filed a suit (Civil Suit No.: WA-22NCC-120-03/2019) against Dato' Gan Eng Kwong ("Dato' Gan"), Reliance Holdings Sdn Bhd ("RHSB") and Alpha Vantage Sdn Bhd ("AVSB") (collectively, the "Defendants") on 12 March 2019 for a sum of RM5,591,892.09, being the advances made by our Company to Vacation Asia Holdings Sdn Bhd ("VAH") and Reliance Shipping and Travel Agencies Sdn Berhad ("RSTA"), both being our former subsidiaries (the "Suit").

In 2011, our Company disposed of its 100% equity interest in VAH and RSTA to AVSB, a company owned by Dato' Gan, the former director and major shareholder of our Company. Pursuant to the said disposal, it was agreed that Dato' Gan, RHSB (the former major shareholder of our Company which Dato' Gan has equity interest in) and AVSB shall settle all the outstanding advances extended by our Company to VAH and RSTA according to the agreed payment schedule.

However, the Defendants failed to settle the outstanding advances as agreed which has led to our Company filing the Suit to recover the said amount. On 15 April 2019, the Defendants filed an application to strike out the Suit and the said application was subsequently allowed by the High Court on 23 May 2019 on the basis that our Company should, among others, include VAH and RSTA as parties to the Suit as the advances were extended to VAH and RSTA.

Our Company has appealed to the Court of Appeal (Civil Appeal No.: W-02(IM)(NCC)-1159-06/2019) against the striking out of the Suit and the appeal is originally fixed for hearing on 9 March 2020. The dates were postponed to 25 August 2020 because of the Movement Control Order (MCO). Our appeal against the High Court Judge's to strike out our claim was allowed on 25 August 2020. The matter is now fixed for case management at the High Court in Kuala Lumpur on 8 January 2021.

B11 Losses Per Share

a) Basic

Basic losses per share is calculated by dividing the net loss attributable to the shareholders for the current financial period ended 30 September 2020 as follows:

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30.09.2020 (RM'000)	**Preceding Quarter Ended 30.09.2019 (RM'000)**	**Current Year Ended 30.09.2020 (RM'000)**	**Preceding Year Ended 30.09.2019 (RM'000)**
Net loss attributable to Equity holders of the Parent (RM'000)	(1,759)	(3,306)	(7,480)	(8,733)
Basic ('000) **Total Weighted average number of ordinary shares**	**915,789**	**915,789**	**915,789**	**915,789**
Basic losses per share(sen)	(0.19)	(0.36)	(0.82)	(0.95)

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 30 September 2020.

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 25 November 2020.