



AVILLION

BERHAD

199201013018 (244521-A)



A N N U A L R E P O R T 2 0 2 5



# AVILLION

BERHAD

## VISION

*We aim to excel in serving mother nature and community, offering properties that enrich lives, promote wellness, and create lasting memories for generations to come.*

## MISSION

- 1. Design, develop and manage tranquil, eco-conscious resorts, hotels, and properties that inspire creativity and beauty.*
- 2. Cherish and safeguard our natural resources - sea, land and trees - as they are our guardians in return.*
- 3. Continuously evolve and elevate our skills to exceed the expectations of our customers, offering experiences that surpass their wildest dreams.*
- 4. Leverage data and technology to optimise our services and delivery.*
- 5. Nurture our team, recognising that their well-being is paramount to our success.*
- 6. Pay attention to the smallest details, knowing that they yield significant rewards in the end.*



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## BOARD OF DIRECTORS

**Dato Seri Jamil Bin Bidin**  
(Chairman, Independent Non-Executive Director)

**Fong Wai Leong**  
(Chief Executive Officer and Executive Director)

**Ho Soo Woon**  
(Independent Non-Executive Director)

**Christopher Lawrence Bachran**  
(Independent Non-Executive Director)

**Datin Norizan Binti Idris**  
(Independent Non-Executive Director)

**Li, Anwei**  
(Independent Non-Executive Director)

### MEMBERS OF AUDIT COMMITTEE

**Ho Soo Woon**  
(Chairman)  
**Christopher Lawrence Bachran**  
**Datin Norizan Binti Idris**

### MEMBERS OF NOMINATION COMMITTEE

**Datin Norizan Binti Idris**  
(Chairman)  
**Christopher Lawrence Bachran**  
**Ho Soo Woon**

### MEMBERS OF REMUNERATION COMMITTEE

**Ho Soo Woon**  
(Chairman)  
**Christopher Lawrence Bachran**  
**Datin Norizan Binti Idris**

### COMPANY SECRETARY

**Chang Ngee Chuang**  
MAICSA No. 7077854  
(SSM PC No. 201908001421)

**Jeremy Tai Yung Wei**  
MAICSA No. 7065447  
(SSM PC No. 202308000580)

### REGISTERED OFFICE

Unit 8E, Level 8, Wisma YPR  
No.1, Lorong Kapar  
Off Jalan Syed Putra  
58000 Kuala Lumpur  
Wilayah Persekutuan  
Tel : 03-2262 0100  
Fax : 03-2262 0293  
Email : info@avillionberhad.com

### PRINCIPAL AUDITORS

**Messrs Baker Tilly Monteiro Heng PLT**  
201906000600 (LLP0019411-LCA)  
& AF 0117  
Chartered Accountants (Malaysia)  
Baker Tilly Tower, Level 10  
Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur  
Tel : 03-2297 1000  
Fax : 03-2282 9980

### SHARE REGISTRARS

**ShareWorks Sdn Bhd**  
199101019611 (229948-U)  
No. 2-1, Jalan Sri Hartamas 8  
Sri Hartamas  
50480 Kuala Lumpur  
Tel : 03-6201 1120  
Fax : 03-6201 3121  
Email : ir@shareworks.com.my

### PRINCIPAL BANKERS

RHB Bank Berhad  
Malayan Banking Berhad  
CIMB Bank Berhad

### STOCK EXCHANGE LISTING

Main Market  
Bursa Malaysia Securities Berhad  
Stock Name: AVI  
Stock Code: 8885

## AVILLION AWARDS

### AVILLION PORT DICKSON AWARD

#### 2024

##### Agoda Awards 2024

- Winner – Gold Circle

##### Haute Grandeur Global Excellence Awards 2024

- Best Beach Hotel in Asia
- Best Beachfront Hotel in Asia
- Best Spa Hotel in Asia
- Best Destination Wedding Hotel in Malaysia



#### 2019

##### International Hotel Awards 2019

- Highly Commended Luxury Hotel Malaysia

##### Agoda Award 2019

- Winner – Gold Circle



#### 2018

##### World Luxury Hotel Awards 2018

- Luxury Family Beach Resort

##### HAPA Malaysia Awards Series 2018 - 2020

- Family & Recreational Resort (Benchmark Achiever)



#### 2017

##### World Luxury Hotel Awards 2017

- Winner - Luxury Beach Resort, Malaysia Category
- Winner - Luxury Spa Hotel, Malaysia Category

##### International Hotel Awards 2017-2018

- Best Large Hotel
- Best Resort Hotel
- Best Spa Hotel
- Best Wedding Venue

##### World Luxury Restaurant Awards 2017

- Regional Winner - Luxury Family Restaurant



#### 2016

##### World Luxury Hotel Award 2016

- Winner - Luxury Spa Hotel, Malaysia Category

#### 2015

##### 19th Malaysia Tourism Award 2014/2015

- Finalist - Best Spa Category

#### 2012

##### World Luxury Hotel Awards 2012

Country Luxury Boutique Hotel

##### Best of Malaysia Awards 2012

- Best Family Stay, Excellence Awards

#### 2011

##### World Luxury Hotel Awards 2011

- Country Luxury Boutique Hotel

#### 2010

##### World Luxury Hotel Awards 2010

- Luxury Boutique Hotel

##### Hotel Club Awards 2010

- Outstanding Beach Resort

#### 2000

##### Pertubuhan Arkitek Malaysia (PAM) 2000

Hotel & Resort Buildings: Excellence Award in Architecture

### AVILLION ADMIRAL COVE AWARD

#### 2018

##### MAH Hotel Management Grand Prix Awards 2018

- Second Runner-Up Prize



**AVI SPA AWARD**

**2019**

**Haute Grandeur Global Excellence Awards 2019**

- Best Spa Design in Asia
- Best Boutique Spa in Malaysia
- Best Destination Spa in Malaysia

**2018**

**Haute Grandeur Global Excellence Awards 2018**

- Best Resort Spa in Malaysia

**HAPA Malaysia Awards Series 2018 – 2020**

- Most Outstanding - HAPA Spa of the Year

**2017**

**Haute Grandeur Global Hotel Awards 2017**

- Best Resort Spa in Malaysia

**2016**

**Luxury Lifestyle Awards 2016**

- Winner - Luxury Spa & Wellness Centre of Malaysia

**World Luxury Spa Awards 2016**

- Finalist - Best Luxury Resort Spa

**Hospitality Asia Platinum Awards Malaysia (HAPA), Malaysia Series 2016 – 2018**

- Winner - HAPA Indulging Spa of the Year Tempting Experience

**2015**

**World Luxury Spa Awards 2015**

- Winner - Best Luxury Resort Spa

**Luxury Lifestyle Awards 2015**

- Winner - Luxury Spa & Wellness Centre of Malaysia

**2014**

**World Luxury Spa Awards 2014**

- Winner - Best Luxury Resort Spa
- Finalist - Best Luxury Destination Spa

**2013**

**Hospitality Asia Platinum Awards Malaysia (HAPA), Malaysia Series 2013 – 2015**

- Winner - HAPA Indulging Spa of the Year Tempting Experience

**World Luxury Spa Awards 2013**

- Finalist - Best Luxury Resort Spa

**2012**

**World Luxury Spa Awards 2012**

- Best Luxury Emerging Spa

**Asia Pacific Property Awards 2012**

- Leisure Architecture for Malaysia

**2010**

**Hospitality Asia Platinum Awards Malaysia (HAPA), Series 2010 – 2012**

- HAPA Best Experience

**2009**

**Malaysia Spa & Wellness Awards (MSWA) 2009**

- Best New Spa
- Best Traditional Treatment, Malay Strength

**Harper's Bazaar Spa Awards 2009**

- Most Unique Spa Destination

**The Malaysian Women's Weekly 2009**

- Best Spa with a View: Best In Beauty - Quality, Results & Services

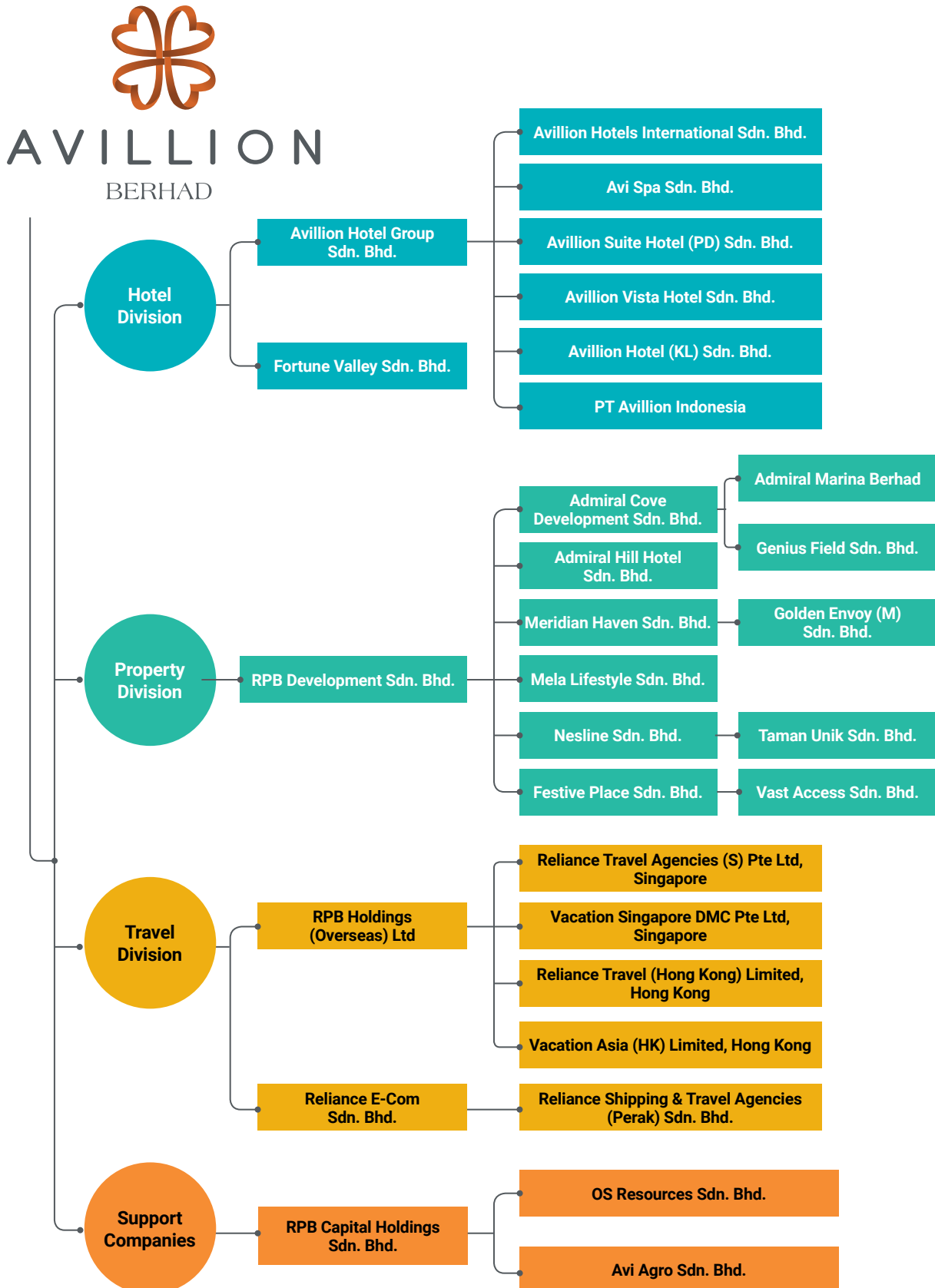
**Asia Pacific Interior Design Awards (APIDA), 2009**

- Silver Award Recipient



## GROUP STRUCTURE

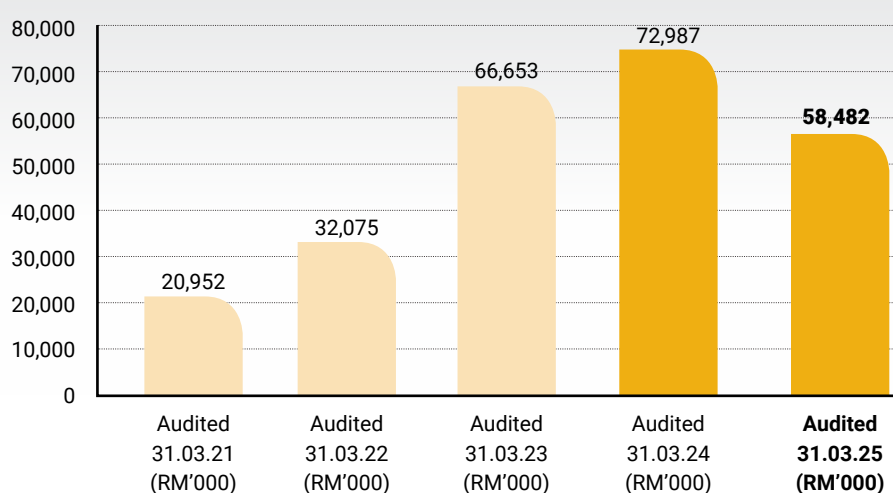
AS OF 31 MARCH 2025



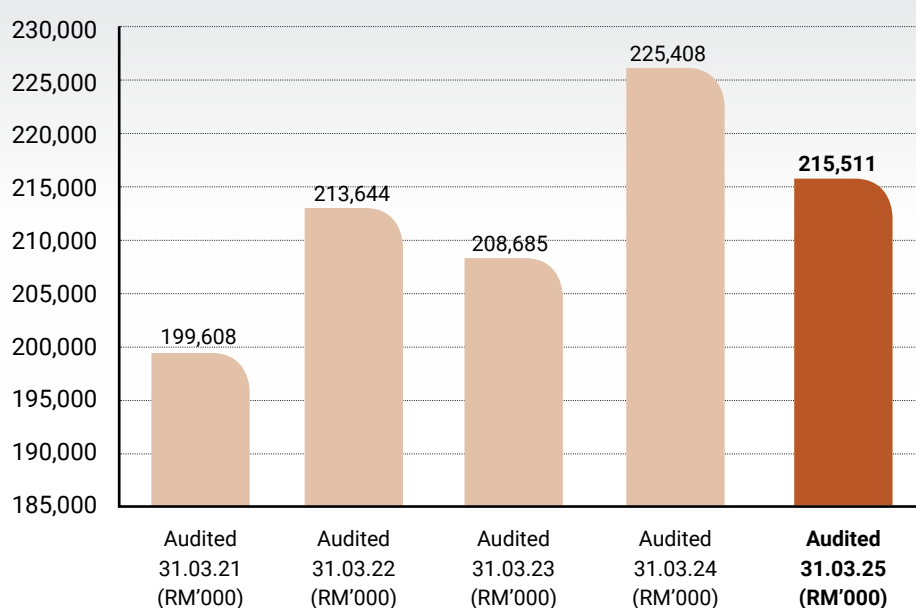
## GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS

	Audited 31.03.21 (RM'000)	Audited 31.03.22 (RM'000)	Audited 31.03.23 (RM'000)	Audited 31.03.24 (RM'000)	Audited 31.03.25 (RM'000)
Revenue	20,952	32,075	66,653	72,987	58,482
Net Assets	199,608	213,644	208,685	225,408	215,511

### REVENUE



### NET ASSETS





## CHAIRMAN'S STATEMENT



### DEAR SHAREHOLDERS,

During the year, we realigned our business. We shut down the travel business in Singapore which predominantly resulted to a 20% decrease in revenue to RM58.5 million for the financial year ended 31 March 2025 as compared to RM73.0 million in the previous year. Our pre-tax losses recorded an increase from RM5.5 million to RM9.0 million mainly due to lower revenue and weaker profit margin.

We are taking stock of our assets, brand, and people to develop a strategic plan aimed at stabilising our current businesses and creating value through organic development or joint ventures with strong and strategic partners.

### MOVING FORWARD

Resilience has been key to our recovery. By focusing on our core hospitality business and strengthening partnerships, we have enhanced the value of our assets. Moving forward, the Group will continue to improve our hotel facilities, introduce innovative packages, control operating costs and enhance yield to stay competitive.

The Group owns strategic assets, including land, sea and hospitality infrastructure like marina and clubhouse. We have plans to monetize these assets through organic development and partnerships. Our aim is to drive business forward by leveraging on our assets and diverse range of products and services, built over the years, to ensure business viability.

We are committed to value creation, business sustainability, and growth across all segments of the Group. We will rise above these rapidly evolving challenges and create sustainable value for all stakeholders in the coming years.

### APPRECIATION

On behalf of the Board of Directors, I would like to extend my heartfelt gratitude to my fellow directors, the Management and staff for their dedication and commitment to the company. I would also like to extend our appreciation and thank you to our shareholders, business associates and customers for your continued and unwavering support and confidence in the Group.

Thank you.

**Dato' Seri Jamil Bin Bidin**

Chairman, Independent Non-Executive Director

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS OVERVIEW

For the period under review, Avillion Berhad and its group of companies (the "Group") continues to focus on its principal business activities, namely Hotel, Property and Travel.

Being heavily skewed in the services and hospitality industry, the Group continues to face a challenging operating environment as demand is very much dependent on the state of the economy and political stability.

### REVIEW OF FINANCIAL PERFORMANCE

#### Revenue

For the financial year ended 31 March 2025 (FY 2025), the Group recorded a decrease in Group revenue of 20% to RM58.5 million.

All 3 sectors have reported drop in their revenue whereby the revenue of Travel Division had dropped significantly by 35% mainly attributed to the closure of travel division in Singapore during FY 2025, due to our business realignment.

Property Division also contributed to the decrease in revenue (17% drop) as the result of no new launches for our projects in Desa Impian, Bandar Tenggara Johor whilst Hotel Division reported drop of 12% mainly due to more options for local travellers to travel overseas as a visa free countries like China.

The main revenue contributors are the Hotel Division contributing 56%, the Property Division contributing 22% and the Travel Division contributing 22%.

#### Losses before tax

The Group registered losses before tax of RM9.0 million compared to a loss before tax of RM5.5 million in the previous year. The higher losses was mainly due to lower revenue and weaker profit margin.

### SEGMENTAL PERFORMANCE

#### Hotel Division

Revenue and earnings are derived primarily from the hotel operation which include management of owned hotels and the management fees earned from hotels we manage.

Currently the Hotel Division manages a total of 6 hotel and resort properties as follows:

##### Malaysia

- 1) Avillion Port Dickson
- 2) Avillion Admiral Cove
- 3) Admiral Marina and Leisure Club
- 4) Avillion Cameron Highlands
- 5) Avi Pangkor

##### Indonesia

- 6) Avillion Villa Cinta Bali, Indonesia

The Hotel Division registered a revenue of RM33.0 million in FY 2025 against RM37.9 million in the previous financial year. The reduction in revenue was mainly due to market sentiment.

The division registered losses before tax of RM1.8 million mainly due to lower revenue and higher operational cost.

## Management Discussion and Analysis (Cont'd)

### Property Division

Revenue and earnings are derived primarily from property development and Admiral Marina and Leisure Club operations.

The Property Division recorded a decrease in revenue of 17% during the financial year from RM15.1 million to RM12.6 million under review as compared to the previous year.

The division's profit before tax of RM0.04 million mainly due to improved performance contributed by Admiral Marina and Leisure Club.

Admiral Marina and Leisure Club primarily derives its revenue from Marina operations, restaurant, meeting convention and corporate retreat/team building segments of the market.

### Travel Division

Revenue and earnings are derived primarily from providing Inbound, Outbound and domestic travel services to our customers. During the year, we have shut down our Singapore operation and maintain our Hong Kong operation.

While travel agents offers valuable services such as itinerary planning, they face challenges in competing with more accessible online platforms such as Agoda which allows the customer to compare prices and analyses reviews. As many travelers prefer to book directly with airlines and hotels, by passing travel agent altogether, the revenue for the year has dropped from RM20.0 million in FY 2024 to RM12.9 million in FY 2025.

As a result of the above mentioned, the division's losses before tax is recorded at RM1.2 million.

### Shareholder Funds

The Group's shareholder funds as at 31 March 2025 stood at RM215.5 million, translating to net asset value per share of RM0.19.

## PROSPECTS

As the local businesses are experiencing slowdown partly due to normalisation of travel trends after the pandemic, and decrease in local leisure demand, the Group is committed to provide quality and tiptop services to our guest and customers. We are improving our properties and facilities by way of refurbishment of hotel rooms, consistently trainings conducted to the team in order to deliver the service level.

Our immediate plan focuses on stabilising current operations by increasing hotel yield, controlling and scheduling capital expenditure for upgrades and maintenance, and optimising operating costs. We plan to raise found from the debt and equity markets to upgrade our properties.

In the medium and long term, we plan to monetise our non-revenue-generating assets through organic development and partnerships. Our aim is to drive business forward by leveraging our assets, acquired and built over the years, to ensure business viability for many years to come.

Barring any unforeseen circumstances, Avillion is optimistic that the worst is behind us and greener pastures are ahead.

### Hotel Division

Avillion is confident of the positive outlook for the Hotel Division and continues to make determined efforts to uphold our brand experience provided to our customers. We are working hard to take the product, service and experiential offering to new levels.

We are continuing to revamp our existing properties to better serve our guests' and customers' needs. In Avillion Port Dickson, we are planning for refurbishment at Water Chalet units by end of 2025 in order to serve a better and comfortable room as our guest is our utmost priority. We are confident that these upgrading works will help us to enhance our competitiveness, grow key market segments and attract incremental domestic and foreign visitations.

Meanwhile, we will continue to roll out various innovative and attractive packages groupwide to further improve the occupancy and revenue of our hotels.

#### Property Division

The Property division is focusing on niche property developments. Our existing on-going development is Desa Impian, a 165-acre mix development/township consisting of commercial, residential and education hubs in Bandar Tenggara, Johor.

Phase 1 of the development which comprises of residential and commercial properties was completed and handed over in 2015.

Phase 2A of the development comprises 4 blocks of residential and 4 blocks of commercial properties. The residential units and 1 block of commercial properties were completed and handed over in June 2023. Our Project Division is currently in the midst of planning the construction of the remaining 3 blocks of commercial properties.

#### Travel Division

We have an established presence in Asia's leading tourist destination of Hong Kong. We are confident that the Travel division will continue to pick up the momentum and to be leading one of leading travel agent at its destination.

To ensure the division continues steady growth path, new destinations and new demands from our customers are being looked into for the coming year.

#### Risk

There are no material risks facing the Group other than normal business and operational risks as in any other company in the same industry. The Management will ensure all such risks are carefully managed and mitigated to prevent any unforeseen circumstances that may severely impact the performance of the Group.

#### Dividend

In respect of the financial year ended 31 March 2025, the Board is not recommending any declaration of dividend.

### CONCLUDING REMARKS

The Management is committed to steer Avillion to the next level of growth. We will continue to take proactive measures to remain resilient and explore new opportunities and ideas to improve the Group performance.

The Management would like to reassure our shareholders that we will work closely under the guidance of the Board of Directors to ensure that all parties work diligently, selflessly and in unity to lead the Group to better days and months ahead.

Our utmost appreciation also goes to our business partner for their continued support.

We also wish to extend our appreciation to our Board of Directors who have been instrumental in providing guidance and valuable insights to the management.



## PROFILE OF DIRECTORS

### DATO' SERI JAMIL BIN BIDIN

Chairman, Independent Non-Executive Director

Age 67

Male

Malaysian

**Board Committee belongs:**

Nil

**Other directorship in public companies and listed corporations:**

Nil

**Family relationship with director/major shareholder:**

Nil

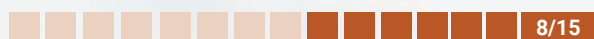
**Conflict of interest:**

Nil

**List of convictions for offences within the past 5 years if any:**

Nil

**Number of Board meetings attended:**



**Date of appointment:**

12 September 2024

**Qualification:**

**Dato' Seri** graduated with Masters in Finance from University of Hull, United Kingdom.

**Working experience & Occupation:**

He started his career as an accountant with Rothmans of Pall Mall (M) Berhad in 1984 and has over the years, acquired extensive experience in auditing, corporate finance and financial management in management and Board level in local and overseas public listed companies such as C.I. Holding Berhad, Arab Malaysian Group and Malaysian Resources Corporation Berhad.

He also held the position of Managing Director/Chief Executive Officer of Putera Capital Berhad, a main board public listed company with activities in manufacturing, construction, property development and engineering. He was the Chief Executive Officer of Halal Industry Development Corporation in 2006 until December 2018.

Prior to his appointment as Chief Executive Officer, he was the Corporate Advisor of KUB Malaysia Berhad, a main board conglomerate with business in information and communication technology, education and training, food beverage, events, energy, property development and construction.

## FONG WAI LEONG

Chief Executive Officer and Executive Director

Age 56

Male

Malaysian

### Board Committee belongs:

Nil

### Other directorship in public companies and listed corporations:

- PBS Berhad,
- Oceancash Pacific Berhad

### Family relationship with director/major shareholder:

Nil

### Conflict of interest:

Nil

### List of convictions for offences within the past 5 years if any:

Nil

### Number of Board meetings attended:



### Date of appointment:

12 October 2023

### Qualification:

**Mr. Fong** is a qualified Chartered Accountant with Malaysia Institute of Certified Public Accounts.

### Working experience & Occupation:

He is responsible for setting strategy and driving the overall business of the Avillion group of companies. He has over 30 years of experience in the fields of corporate, finance and technology.

He was the Group CEO of PanPages Berhad, a public company listed on the main market of Bursa Malaysia. He started his career as a professional working for KPMG as an Auditor and for CIMB as an Investment Banker.

He sat on the Boards of Directors in PanPages Berhad and Cepatawawasan Group Berhad, listed companies in Malaysia; ASTI Holdings Limited, a listed company in Singapore; Medicox Co. Ltd., a listed company in South Korea; Capital Engineering Network PCL, a listed company in Thailand; and various private companies in Malaysia, Singapore, Hong Kong, Thailand, Vietnam, Indonesia and Cambodia.

He currently also sits on the Board of Directors of PBS Berhad, Oceancash Pacific Berhad, and Experian Information Services (Malaysia) Sdn. Bhd.

## Profile of Directors (Cont'd)

### DATIN NORIZAN BINTI IDRIS

Independent Non-Executive Director

Age 47

Female

Malaysian

**Board Committee belongs:**

- Chairman of Nomination Committee
- Member of Audit Committee
- Member of Remuneration Committee

**Qualification:**

**Datin** graduated with a Degree in Bachelor of Corporate Administration from the Universiti Teknologi Mara (UiTM) in 2000.

**Other directorship in public companies and listed corporations:**

Nil

**Working experience & Occupation:**

She has more than 21 years' working experience in various industries, such as Financial Institution, Property Development and National Oil and Gas. She possesses advanced skills in Business Planning & Performance Management, Corporate Planning and Strategic and New Ventures for Petronas Upstream Business. She has more than 16 years' working experience in assisting top management in setting up the strategic direction of a company.

**Family relationship with director/major shareholder:**

Nil

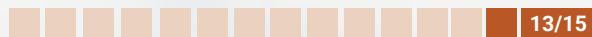
**Conflict of interest:**

Nil

**List of convictions for offences within the past 5 years if any:**

Nil

**Number of Board meetings attended:**



**Date of appointment:**

04 April 2019



## HO SOO WOON

Independent Non-Executive Director

Age 62

Male

Malaysian

### Board Committee belongs:

- Chairman of Audit Committee
- Chairman of Remuneration Committee
- Member of Nomination Committee

### Other directorship in public companies and listed corporations:

KNM Group Berhad

### Family relationship with director/major shareholder:

Nil

### Conflict of interest:

Nil

### List of convictions for offences within the past 5 years if any:

Nil

### Number of Board meetings attended:



### Date of appointment:

12 September 2024

### Qualification:

**Mr. Ho** graduated with a Degree in Business Administration (Banking & Finance) from the National University of Singapore on a Singapore Government's scholarship in 1985.

### Working experience & Occupation:

He has over 36 years of experience in corporate, commercial, financial and operational matters spanning across various business sectors including banking, manufacturing, real estate, healthcare, oil & gas and mining.

He started his career as a bank executive in 1985 with the Arab Malaysian Banking Group. Subsequently in 1987, he was recruited by the Hong Leong Banking Group as one of their pioneer team members in the Corporate Division to spearhead the Bank's new strategic focus to grow its small & medium enterprises loan portfolio in Malaysia.

He currently serves on the Board of KNM Group Berhad. He was previously the Commercial Director of Atrium Real Estate Investment Trust (a real estate investment trust listed on the Kuala Lumpur Stock Exchange) in 2018 and AHB Holdings Berhad (a furniture manufacturer listed on the Kuala Lumpur Stock Exchange) in 2020.

He is the founder and Managing Director of Tesoro Capital Sdn. Bhd..



## Profile of Directors (Cont'd)

### CHRISTOPHER LAWRENCE BACHRAN

Independent Non-Executive Director

Age 75

Male

United States

#### Board Committee belongs:

- Member of Audit Committee
- Member of Remuneration Committee
- Member of Nomination Committee

#### Qualification:

**Mr. Christopher** graduated with a B.S in Marketing and Business Administration from the S.t Martin's College, Washington.

#### Other directorship in public companies and listed corporations:

Nil

#### Working experience & Occupation:

He is a highly accomplished hotel executive with over 50 years of extensive experience in hotel operations, hospitality development and strategic leadership across Asia and the United States.

#### Family relationship with director/major shareholder:

Nil

He has proven expertise in driving operational excellence, international expansion, and corporate strategy for leading global hospitality brands.

#### Conflict of interest:

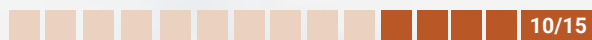
Nil

#### List of convictions for offences within the past 5 years if any:

Nil

He was previously the Senior Advisor to CEO & President in China Senior Care LLC in 2016, and prior to that, the Managing Director of Alliance International Services Ltd. from 2012 to 2016.

#### Number of Board meetings attended:



Mr. Christopher is currently the Partner & Special Advisor of Wellness of Land and People, a leading strategic advisory for wellness-focused hospitality initiatives.

#### Date of appointment:

12 September 2024

## LI, ANWEI

Independent Non-Executive Director

Age 35

Male

China

**Board Committee belongs:**

Nil

**Other directorship in public companies and listed corporations:**

Nil

**Family relationship with director/major shareholder:**

Nil

**Conflict of interest:**

Nil

**List of convictions for offences within the past 5 years if any:**

Nil

**Number of Board meetings attended:**



**Date of appointment:**

16 May 2025

**Qualification:**

**Mr. Li** graduated with a Masters in Accounting & Finance from the HELP University Malaysia.

**Working experience & Occupation:**

He has over 10 years of extensive experience in Malaysia's real estate development, construction contracting, investment, and corporate financing sectors. His expertise is further complemented by a decade of leadership within a Fortune Global 500 Top 50 company.

He began his career in 2014 as a Finance Supervisor at MCC Overseas (M) Sdn. Bhd. and was subsequently promoted to Manager, Strategy & Risk Management, a position he held from 2015 to 2018.

He had served as Director of the Investment & Corporate Financing Division at MCC International Engineering Co., Ltd. from 2018 to 2020 and Managing Director of MCC Overseas (M) Sdn. Bhd. from 2020 to 2024.

## PROFILE OF SENIOR MANAGEMENT

### FONG WAI LEONG

Chief Executive Officer	Age 56	Male	Malaysian
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**Mr. Fong**, a Malaysian aged 56, was appointed to the Board on 12 October 2023 and redesignated as Chief Executive Officer on 18 January 2024.

He is responsible for setting strategy and driving the overall business of the Avillion group of companies. He has over 30 years of experience in the fields of corporate, finance and technology.

He was the Group CEO of PanPages Berhad, a public company listed on the main market of Bursa Malaysia. He started his career as a professional working for KPMG as an Auditor and for CIMB as an Investment Banker.

He sat on the Boards of Directors in PanPages Berhad and Cepatwawasan Group Berhad, listed companies in Malaysia; ASTI Holdings Limited, a listed company in Singapore; Medicox Co. Ltd., a listed company in South Korea; Capital Engineering Network PCL, a listed company in Thailand; and various private companies in Malaysia, Singapore, Hong Kong, Thailand, Vietnam, Indonesia and Cambodia.

He currently also sits on the Board of Directors of PBS Berhad, Oceancash Pacific Berhad, and Experian Information Services (Malaysia) Sdn. Bhd..

He is a qualified Chartered Accountant with Malaysia Institute of Certified Public Accountants.

### KONG SEONG HEE

Chief Financial Officer	Age 55	Male	Malaysian
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**Mr. Kong**, a Malaysian aged 55, joined the Avillion Berhad on 16 October 2024 as Chief Operating Officer and redesignated as Chief Financial Officer on 18 November 2024.

He is responsible for the financial and corporate matters for Avillion group of companies. He has more than 30 years of experience in accounting, corporate finance, strategic planning and taxation.

He began his career as a professional working for KPMG as an Auditor for 5 years. Since then, he has held key positions in both listed and unlisted companies.

Prior to joining Avillion Berhad, he served as the Chief Financial Officer at Versalink Holdings Limited, listed on the Catalist board of the Singapore Exchange Securities Trading Limited for 3 years and in various other companies across Malaysia and Singapore. He also worked with a subsidiary of a Hong Kong and Germany listed company respectively.

He is a qualified Chartered Accountant with Malaysia Institute of Certified Public Accountant.

#### Notes:

- None of the Senior Management have any family relationship with any director and/or major shareholder of the Company.
- None of the Senior Management have any conflict of interest with the Company.
- None of the Senior Management have been convicted for offences within the past 5 years (other than traffic offences, if any) and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 March 2025.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Avillion Berhad ("AB" or "the Company") is committed to uphold the high standards of corporate governance throughout AB and its subsidiaries ("the Group") with the ultimate objective of realising long-term shareholder value while taking into account the interests of other stakeholders. This Corporate Governance Overview Statement sets out the extent to which the Company has applied the practices encapsulated in the Principles of the Malaysian Code on Corporate Governance ("MCCG") except where stated otherwise.

Details of the Group's application of each of the practices set out in the MCCG are disclosed in the Corporate Governance Report, which is available on the Group's website at <https://www.avillionberhad.com/our-company/corporate-governance/>.

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

#### ***Practice 1.1 – Board duties and responsibilities***

The Board is responsible and accountable for the Company's shareholders and various stakeholders in order to achieve sustainability and long-term success through its effective leadership and management of the Company's business. Hence, the Board is responsible for the long-term performance of the Group and for overseeing the Group's strategy and monitoring its operations.

The Board's principal function is to address all the significant matters as it is accountable under the applicable laws and regulations for the Group's activities, strategies, financial position and performance. The Board delegates certain responsibilities to the Management, entrusting them with implementing the Group's strategic direction and managing its day-to-day operations. The Board also assigns specific functions to the Board Committees to assist the Board in overseeing the corporate governance of the Group. The functions and the terms of reference of the committees have been defined by the Board in the Terms of References of the respective committees. The key matters reserved for the Board's approval are specified in the Board Charter.

The Board adheres to the Code of Conduct and Ethics for Directors which highlights the criteria that Directors should observe in the performance of their duties. The following are the roles and responsibilities of the Board in discharging its fiduciary functions:-

- Lead, control, provide strategic direction and have the overall responsibilities for corporate governance.
- Formulate key policies, oversee investments and businesses for the Group.
- Ensure that the Company has the appropriate corporate disclosure policies and procedures.
- Establish succession planning and ensure that all candidates appointed to Senior Management are of sufficient calibre.
- Identify principal risks and to ensure the implementation of appropriate internal controls.

#### ***Practice 1.2 and 1.4 – The Board Chairman***

The Board is chaired by Dato' Seri Jamil Bin Bidin, a Chairman, Independent Non-Executive Director who brings strong entrepreneurial and extensive leadership experience. His role is further strengthened by the Independent Directors, who provide the necessary effective checks and balances to support objective and well-informed decision-making at the Board level.

The Chairman takes a leading role in ensuring the effective functioning of the Board. He is responsible for steering the Board's deliberations in line with the Company's strategic direction, vision and corporate governance principles. In addition, the Chairman facilitates constructive engagement between the Board and Management, fostering clarity, mutual understanding and strategic alignment.

The Chairman, presides over all Board meetings, ensuring that each agenda item is given sufficient time for discussion and that all Directors are afforded equal opportunity to express their views. He facilitates an environment of transparency, accountability and open dialogue, encouraging active and constructive participation from all Board members.



## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. Board Responsibilities (Cont'd)

##### **Practice 1.2 and 1.4 – The Board Chairman (Cont'd)**

The Chairman is not a member of the Nomination Committee, Audit Committee or Remuneration Committee. However, the Chairman participates to attend committee meetings from time to time at the discretion of the respective Committees, given his extensive experience and strategic insight which add value to the review and deliberation processes, enhancing the overall effectiveness of the Committees in discharging their responsibilities.

As the Chairman abstains himself from the decision-making process for all proposals and matters presented for approval during the meetings, his participation does not undermine objectivity. Furthermore, all Board Committees are comprised exclusively of Independent Non-Executive Directors, which help to safeguards independence.

The roles, responsibilities, and authorities of each committee are clearly defined in their respective terms of reference, ensuring proper governance, role clarity and accountability.

##### **Practice 1.3 – Separation in the roles of Chairman and Chief Executive Officer**

The roles of Chairman and the Chief Executive Officer are exercised by different individuals. A clear segregation of their responsibilities and powers is stated and defined in the Company's Board Charter. It is made available for reference on the Company's website. The Chairman is responsible for managing the conduct of the Board and ensuring its effectiveness including making sure that all Directors receive sufficient relevant information on all financial, business, operation and corporate matters to enable each of them to participate actively and effectively in the Board's decisions. The Chief Executive Officer is responsible for the efficient and effective management of the business operations and strategic direction of the Group.

##### **Practice 1.5 – Company Secretary**

The Board is supported by two (2) qualified and competent Company Secretaries who are responsible to advise and regularly update the Board on good governance, board policies, and procedures and corporate compliances.

The Company Secretaries also ensure that the Board is kept well informed on any regulatory requirements and updated on developments in the field of corporate governance that impact the duties and responsibilities of the Directors, considering the Company's status as a public listed company. The Company Secretaries advised and circulated relevant guidelines on new and amended statutory and regulatory requirements from time to time for the Board's reference and brief the Board on these updates at Board meetings. The Company Secretaries ensure that the Company and its Directors operate within the law.

The Company Secretaries also attend all Board and Board Committee meetings and ensure that the discussions on key deliberations and decisions are properly recorded. The Company Secretaries are directly accountable to the Board on all matters in relation to the proper functioning of the Board, maintenance of the corporate documents of the Board, facilitate the Board's communications and monitoring of the implementation of the Board's decisions, where appropriate.

All Directors have full and unrestricted access to the advice and services of the Company Secretaries.

## **PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

### **I. Board Responsibilities (Cont'd)**

#### **Practice 1.6 – Information and support for Directors**

The Board of Directors' meetings are held on a quarterly basis and at other times as required. All Directors attended all the Board meetings held during the financial year. Directors who were appointed during the financial year have also attended all Board meetings held from their respective appointment dates onwards.

All Directors had committed their time to the Board meetings held during the financial year and each Director, in the discharge of his or her duties, had participated actively at the meetings.

Board meetings are a platform for the exchange of views, with Directors bringing their experience and independent judgment to discuss the issues at hand. During these meetings, the Board discusses, amongst other matters, the Group's financial position, company policies, risks management, as well as management performance against the corporate targets and budgets.

Each Board member is supplied in advance with an agenda, which include the minutes of previous meetings, financial reports and other reports relevant to the meeting, to allow the Directors sufficient time to review and to deliberate at the Board meetings and to facilitate informed decision-making. Management representatives are also present to provide additional insight on matters to be discussed during the Board meetings.

In between Board meetings, matters requiring Board's approval are sanctioned by way of circular resolutions where relevant information on the subject matter are enclosed.

All the Directors have the rights of access to all relevant Company's information, access to Management and may obtain independent professional advice at the Company's expense that are deemed necessary to carry out their duties, subject to prior consultation with the Chairman. To enable them to effectively exercise their duties and responsibilities, Board meetings regularly include sessions on recent key developments in governance and other corporate matters affecting the Group's businesses.

#### **Practice 2.1 – Board Charter**

The Board Charter sets out the roles and responsibilities, composition and processes of the Board of Directors ("the Board"). It provides an overview of how the Board leads and provides direction to the Management of the Company. It also sets out the delegation of authority by the Board to various Committees to ensure the Board members, in performing their responsibilities on behalf of the Group, would act in the best interest of all shareholders. In addition, the Board Charter also outlines the core principles of Corporate Governance to which the Company ascribes.

The Board has established three (3) Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee that are delegated with specific responsibilities and authorities to assist the Board in executing its duties and to provide the Board with recommendations and advice. The delegation of authority to the Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities. Each Committee is governed by its own Terms of Reference ("TOR") which sets out its functions and duties, composition, rights and meeting procedures. The Board Charter and TORs are reviewed and revised periodically to meet changing business, operational and regulatory requirements.

#### **Practice 3.1 – Code of Conduct and Ethics**

The Group is committed to promoting and maintaining high standards of transparency, accountability and ethics in the conduct of its business and operations. The Group's employee handbook governs the terms and conditions of employment and the standards of ethics and good conduct expected of the Chief Executive Officer and employees. The Board has established the Code of Conduct and Ethics for Directors which described the standards of business conduct and ethical behavior for Directors in the performance and exercise of their duties and responsibilities as Directors of the Company or when representing the Company.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. Board Responsibilities (Cont'd)

##### **Practice 3.2 – Whistleblowing Policy**

The Board is committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations. It has established the Whistleblowing Policy that provides a channel to enable employees and other stakeholders to report any suspected breaches of law or regulations or any illegal acts observed in the Group, including financial malpractice or fraud, non-compliance with regulatory requirements, danger to health, safety or the environment, criminal activity and corruption.

The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures. Instead, the appropriate Management officials are charged with these responsibilities. The policy is to provide an avenue for all employees of the Company and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy and to provide protection for employees and members of the public who report such allegations.

A whistleblower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. In addition, employees who whistle blow internally will also be protected against any adverse and detrimental actions for disclosing any improper conduct committed or about to be committed within the Company, to the extent reasonably practicable, provided that the disclosure is made in good faith. Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken as to the facts and the rules and procedures involved.

It outlines the procedures for reporting a genuine concern on any breach of conduct that is taking place, have taken place or may take place in the future. The Company treats all reports in a confidential manner and at the same time provides protection to anyone who reports such concerns in a good faith. The Whistleblowing Policy is reviewed periodically and is available on the Company's website.

##### **Practice 4.1 – Responsibility for the Governance of Sustainability**

The Board is responsible to oversee the Group's sustainability agenda, practices, strategies and performance supported by the Management. The Management is tasked to integrate sustainability considerations in the day-to-day operations of the Group and ensuring the effective implementation of the Group's sustainability strategies and plans.

The Sustainability Statement of the Group provides an overview of the sustainability performance for the financial year ended 31 March 2025.

##### **Practice 4.2 – Effective Communication with Stakeholders**

The Company believes in transparency and open lines of communication with all the stakeholders. Transparency and communication are fundamental components of good corporate governance and serve to build vital relationships of trust that the Company maintains with its stakeholders.

The Company engages its stakeholders through various means of communication to enable them to better understand the Group's business operations and seek their feedback and input on matters relevant to them. The Group identifies them through issues which are material based on their impact to the Group's operations and the number of stakeholders affected.

A list of identified key stakeholders, engagement methods, areas of interest and the outcome of engagement during the financial year, are disclosed in the Sustainability Statement of the Annual Report 2025.

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (Cont'd)

#### **Practice 4.3 – Sustainability Issues**

Taking note of the importance of sustainable development, the Group conducts a materiality assessment annually as part of the regular sustainability practice to ensure that the material matters remain relevant to the stakeholders. The details of the materiality assessment during the financial year are made available in the Sustainability Statement of the Annual Report 2025.

#### **Practice 4.4 – Performance Evaluations of the Board**

The Board of Directors and Board Committees' assessments and evaluations are performed on a yearly basis to assess the following areas:-

- Board and Board Committee performance and effectiveness;
- Board skills matrix;
- Directors' performance and competency; and
- Directors' independence level.

Based on the assessment and evaluation performed by each individual Director and the Nomination Committee:

- (a) The Nomination Committee was satisfied that the Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors.
- (b) The Nomination Committee was satisfied with the current structure, size and composition of the Board which comprises people who possess different expertise and experience in various fields and specialisations to enable the Board to lead and manage the Company effectively.
- (c) The Nomination Committee was satisfied with the performance and contribution of each individual Director and each Director is well qualified in his/her area of expertise and profession.
- (d) The Nomination Committee was satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their ability to act independently and objectively in the best interest of the Company.

### II. Board Composition

#### **Practice 5.1 – Responsibilities of Nomination Committee**

#### **Practice 5.7 – Appointment and Reappointment of Directors**

The Nomination Committee performs a Board Assessment on an annual basis to ensure that the right group of people with the appropriate mix of skills are appointed.

During the financial year, the Nomination Committee conducted an assessment of Directors who are seeking for re-election at the forthcoming 33rd Annual General Meeting ("AGM") and concluded that Datin Norizan Binti Idris and Mr. Fong Wai Leong are eligible for re-election pursuant to Clause 100 and Dato' Seri Jamil Bin Bidin, Mr. Li, Anwei, Mr. Ho So Woon, and Mr. Christopher Lawrence Bachran are eligible for re-election pursuant to Clause 107 of the Company's Constitution.

The Board had approved and proposed the re-election of Dato' Seri Jamil Bin Bidin, Mr. Li, Anwei, Mr. Ho So Woon, Datin Norizan Binti Idris, Mr. Christopher Lawrence Bachran and Mr. Fong Wai Leong at the forthcoming AGM.

The details of the Directors seeking for re-election at the AGM, including their qualifications, working experience, directorship in other public listed companies, relationship with any Director or major shareholder and conflict of interests with the Company, are set out in the Profile of Directors section as disclosed in the Annual Report 2025.

The details of the interests of the Directors in the securities of the Company and attendance at the Board of Directors' meetings held during the financial year ended 31 March 2025 are also disclosed in the Annual Report.



## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. Board Composition (Cont'd)

##### **Practice 5.2, 5.3 and Step Up 5.4 – Independent Directors**

The Board currently consists of six (6) members, comprising the Independent Non-Executive Chairman, an Executive Director and four (4) Independent Non-Executive Directors. Based on the annual review of the composition of the Board carried out by the Nomination Committee, the Board is satisfied that its current size and composition reflect an appropriate balance of experience and expertise adequate for the scope and nature of the Group's business and operations.

The Independent Non-Executive Directors are independent of Management and free from any business, relationships or any circumstance that could materially interfere with the exercise of independent judgment or the ability to act in the best interest of the Company. They have also fulfilled the criteria of an Independent Director pursuant to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Independent Non-Executive Directors have a crucial role in ensuring that the Board is an effective board and through which good corporate governance can be promoted throughout the entire Company. They are expected to provide a balanced and independent view. It calls for persons of caliber, integrity, with requisite business acumen, and the credibility, skills and experience to bring independent judgement on issues of strategy, performance, and resources, including key appointments and standards of conduct. Independent Directors must be given free access to the records and information of the company as well as independent legal advice and the services of the Company Secretaries if they find this to be necessary to fulfil their duties.

The Board reviews and assesses the independence of Directors annually based on the criteria set by the Nomination Committee. One of the assessment criteria is the ability of the individual Director to exercise objectivity in the discharge of his or her responsibilities in the interest of the Company.

The Board had also carried out independence assessment of its Non-Executive Directors in terms of their relationship and dealings with the Company and the Board is of the view that all the Non-Executive Directors remain independent.

The Board is of the view that throughout their tenure, the Independent Directors have demonstrated independence in character and judgement, and have always looked out for the best interest of the Company. The Independent Directors have provided independent views based on their experience and knowledge that allow for diverse and objectives perspectives on the Group's business and direction.

In line with the recommendation of the Code, the tenure of an Independent Director of the Company shall not exceed a cumulative term of nine (9) years. An Independent Director may continue to serve the Board subject to the re-designation of the Independent Director as a Non-Independent Director. In the event the Board intends to retain the Independent Director as an Independent Director after serving a cumulative term of nine (9) years, shareholders' approval will be sought. The tenure of all the Directors on the current Board do not exceed a cumulative term limit of nine (9) years.

##### **Practice 5.5 and 5.6 – Diversity on Board and in Senior Management & Sourcing of Directors**

The Board reviews from time to time the composition of the Board and considers new appointments when the need arises. The Nomination Committee is responsible for assessing and making recommendations to the Board on the candidature of Directors based on recruitment criteria established by the Board.

The Nomination Committee has the responsibility to ensure the composition of the Board represents a good mix of knowledge, skills and experience to ensure that the Group is competitive within its industry. In considering potential candidates for appointment, the Nomination Committee undertakes a thorough review of the candidate's criteria, amongst others, qualifications, skills, knowledge, expertise, experience, personal attributes and the capability to devote the necessary time and commitment to the role.

## **PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

### **II. Board Composition (Cont'd)**

#### ***Practice 5.5 and 5.6 – Diversity on Board and in Senior Management & Sourcing of Directors (Cont'd)***

All Directors have attended and successfully completed the Mandatory Accreditation Programme accredited by Bursa Securities. In addition, seminars and conferences organised by Bursa Securities, relevant regulatory bodies and professional bodies on areas pertinent to the Directors are communicated to the Board for their participation. The Board has identified training needs amongst the Directors and enrolled themselves for the training programs as and when required. Directors may also request to attend additional training to keep abreast of their individual requirements.

All Directors are also provided with updates from time to time by the Company Secretaries and auditors on matters relating to Directors' duties and responsibilities, as well as on relevant regulations. The Company Secretary ensures all appointments are properly made and all necessary information required by the new Directors for the proper discharge of their duties is obtained.

Appointments of new Directors are undertaken by the Board as a whole after considering the recommendations of the Nomination Committee. Potential candidates may be proposed by any current Board member, shareholder or senior management personnel or by utilising independent sources such as recruitment firms or through industry associations. In considering potential candidates for appointment, the Nomination Committee undertakes a thorough review of the candidate's criteria, amongst others, qualifications, skills, knowledge, expertise, experience, personal attributes and the capability to devote the necessary time and commitment to the role.

During the financial year, four (4) new directors were appointed to the Board, namely Dato' Seri Jamil Bin Bidin, Mr. Christopher Lawrence Bachran, Mr. Ho Soo Woon, and Mr. Li, Anwei.

When considering the nomination of directors, the Nomination Committee takes into account the directors' ability to devote sufficient time and attention to properly fulfill their responsibilities. Besides attending all meetings of the Board and Board Committees on which they serve, each member is expected to be present in all shareholders' meetings, major company events and to participate in continuing training programs. The proposed date for AGM are also notified to all Board members in advance, to enable all directors to be present at the meeting and engage with the shareholders.

The Chairman and the Chief Executive Officer are responsible for the identification and development of the Key Senior Management, as well as to review the succession planning for the key management team from time to time. The Chairman and the Chief Executive Officer shall search for suitable candidates through established channels such as public advertisement or direct approaches being made to individuals who may be suitable or through organisations that may be able to assist in the recruitment process. In selecting the appropriate candidates, the Chairman and Chief Executive Officer take into account the candidate's qualification, experience, competence and character. Newly appointed Key Senior Management will have to undergo induction trainings and/or any other programs.

#### ***Practice 5.8 – Nomination Committee***

The Board has established a Nomination Committee to provide advice and assistance to the Board in matters relating to the appointment of new Directors, Board composition, training programs and performance evaluations on the effectiveness of the Board, Board Committees and individual Directors. Full details of the Nomination Committee's duties and responsibilities are stated in its TOR which is available on the Company's website.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. Board Composition (Cont'd)

##### **Practice 5.8 – Nomination Committee (Cont'd)**

The Nomination Committee of the Company is chaired by an Independent Non-Executive Director and is composed of two (2) other Independent Non-Executive Directors. The Nomination Committee ("NC") meets as and when required, at least once a year. During the financial year, seven (7) meetings were held with the attendance as follows:

Name of Director	No. of Meetings Attended
Datin Norizan Binti Idris (Chairman) (appointed as Chairman w.e.f. 26 May 2025)	7/7
Mr. Christopher Lawrence Bachran (appointed as Member w.e.f. 26 May 2025)	2/7
Mr. Ho Soo Woon (appointed as Member w.e.f. 26 May 2025)	2/7
Mr. Rungit Singh A/L Jaswant Singh (resigned as Chairman w.e.f. 20 May 2025)	5/5
Mr. Stephen Geh Sim Whye (resigned as Member w.e.f. 20 May 2025)	5/5

During the financial year, the Nomination Committee had carried out the following activities:

- Assessed the performance of the Board, Board Committees and individual Directors, including the term of office and performance of the Board Committees and each of its respective members;
- Reviewed the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board;
- Reviewed the size of the Board against the size of the Group and the complexity of the business to assess the impact of the number upon its effectiveness;
- Reviewed the performance of retiring Directors and recommended them to the Board for re-election at the forthcoming AGM;
- Reviewed the performance of the Key Senior Management positions; and
- Reviewed of the appointment of the new Directors to the Board.

##### **Practice 5.9 – Gender Diversity**

The Board, through the Nomination Committee, will consider appropriate candidates for appointment as Board members in terms of gender, ethnicity and age, and will take required measures to meet those targets from time to time if deemed necessary to enhance the effectiveness of the Board. The Board consists of members with a broad range of skills, who are well-rounded, and have experience and knowledge in different fields relevant to oversee the business. The Board ensures that each member has a proper understanding of the Group's business and competence to deal with current and emerging issues of the Group.

The Board acknowledges the importance of gender diversity as an important element of a well-functioning Board. As at the date of issuance of this report, there is one (1) woman Director on Board.

The Board is satisfied that the current Board composition fairly reflects a good mix of knowledge, skills and experience. Through its Nomination Committee, the Board will continue to review its structure and composition in order to ensure boardroom diversity and balance of power and authority, which are fundamental to an effective Board.

##### **Practice 5.10 – Policy on Gender Diversity**

The Board currently does not have a formal policy on its boardroom or gender diversity. The evaluation and selection criteria of a Director are very much dependent on the effective blend of knowledge, skills, competencies, experiences and time commitment of the new Board member. Nonetheless, the Board is supportive of gender diversity in the Boardroom composition as recommended by the MCCG and will endeavour to consider suitable and qualified female candidates for appointment to the Board.

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. Board Composition (Cont'd)

#### ***Practice 6.1 – Evaluation for Board, Board Committees and Individual Directors***

The Nomination Committee annually performs an assessment of the effectiveness and performance of the Board, Board Committees and individual Directors, in order to verify that the Board is functioning appropriately as a whole. Each Director completed detailed questionnaires in the Directors' Performance Evaluations which covered matters relevant to the Board performance, among other things, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee was done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee's performance against its TOR.

The Nomination Committee's assessment criteria have been extended to include the elements specified in the Directors' Fit and Proper Policy adopted by the Board, such as personal integrity, time and commitment. This policy also serves as a guide for the Nomination Committee and the Board in their review and assessment of candidates that are to be appointed as well as Directors who are seeking for re-election, and ensures that they possess the necessary quality and character as well as integrity, competency and commitment. The policy is accessible on the Company's website at <https://www.avillionberhad.com/our-company/corporate-governance/>.

The assessment was internally facilitated, whereby results of the assessments had been compiled, documented and reported to the Board accordingly, as part of the Company's ongoing corporate governance practices.

Based on the assessment carried out during the financial year, the Nomination Committee had concluded the following:–

- (a) The Board was found to be competent and had a dynamic and balanced mix of skills and experience wherein the Directors were able to contribute effectively to the Board's decision-making process.
- (b) The current structure, size and composition of the Board, which comprises people who possess a wide range of expertise and experience in various fields with diverse backgrounds and specialisations, enables the Board to lead and manage the Company effectively.
- (c) The Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors.
- (d) The Board and Board Committees had contributed positively to the Company and its subsidiaries and were operating in an effective manner.
- (e) The Board Chairman had performed in an excellent manner and contributed to the Board.
- (f) The performances of the Board Committees were found to be effective.

The Board recognises the importance of continuous training to remain abreast of the latest developments in related industries and changes to the regulatory environment. The assessment on individual Directors also provided the Board with valuable insights into training and development needs of each Director, to ensure that each Board member's contribution to the Board remains informed and relevant.



## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. Board Composition (Cont'd)

##### **Practice 6.1 – Evaluation for Board, Board Committees and Individual Directors (Cont'd)**

During the course of the financial year, the Directors have attended various training programmes which include conferences, forums, seminars, workshops and briefings, apart from the briefings conducted by the Company Secretaries pertaining to updates on the MCCG and MMLR of Bursa Securities. The external auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements. Particulars of the seminars and courses attended include the following:

Director	Courses/ Seminars/ Workshops/ Conferences	Organiser(s)	Date
Fong Wai Leong	Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	24 – 25 Jun 2024
	Ikhlas Capital Annual Conference 2025	Ikhlas Capital	17 – 18 July 2025
Datin Norizan Binti Idris	Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	27 – 28 Nov 2024
Christopher Lawrence Bachran	Bursa Malaysia Mandatory Accreditation Programme (MAP)	Institute of Corporate Directors Malaysia	20 – 21 Jan 2025
	Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	05 – 06 May 2025
Ho Soo Woon	Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	06 – 07 May 2024

#### III. Remuneration

##### **Practice 7.1 – Remuneration Policy**

The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendations of the Remuneration Committee.

The remuneration of the Chief Executive Officer was determined fairly based on the performance and the profitability of the Group as a whole. The Directors' remuneration is at the discretion of the Board, taking into account the comparative market rates that commensurate with the level of contribution, experience and participation of each Director. The overriding principle adopted in setting the remuneration packages for the Chief Executive Officer by the Remuneration Committee is to ensure that the Company attracts and retains the appropriate Directors of the calibre needed to run the Group successfully.

The determination of the remuneration for Non-Executive Directors is a matter of the Board as a whole. The level of remuneration for Non-Executive Directors reflects the amount paid by other comparable organisations, adjusted for the experience and levels of responsibilities undertaken by the particular Non-Executive Directors concerned. The remuneration package of Non-Executive Directors will be a matter to be deliberated by the Board, with the Director concerned abstaining from deliberations and voting on deliberations in respect of his individual remuneration. In addition, the Company also reimburses reasonable out-of-pocket expenses incurred by all the Non-Executive Directors in the course of their duties as Directors of the Company. The aggregate annual Directors' fees are to be approved by shareholders at the AGM based on recommendations of the Board.

##### **Practice 7.2 – Remuneration Committee**

The Remuneration Committee was established to assist the Board in developing remuneration policies and procedures that enable the Group to attract, motivate and retain qualified Directors and Key Senior Management personnel. Full details of the functions and duties of the Remuneration Committee are stated in its TOR which is available on the Company's website.

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### III. Remuneration (Cont'd)

#### **Practice 7.2 – Remuneration Committee (Cont'd)**

The Remuneration Committee comprises of exclusively Independent Non-Executive Directors. During the financial year, four (4) meetings were held with attendance as follows:

Name of Director	No. of Meetings Attended
Mr. Ho Soo Woon (appointed as Chairman w.e.f. 02 Oct 2024)	3/4
Mr. Christopher Lawrence Bachran (appointed as Member w.e.f. 26 May 2025)	2/4
Datin Norizan Binti Idris (appointed as Member w.e.f. 26 May 2025)	2/4
En. Taufiq Bin Abdul Khalid (resigned as Chairman w.e.f. 12 Sept 2024)	1/1
Mr. Rungit Singh A/L Jaswant Singh (resigned as Member w.e.f. 20 May 2025)	2/2
Mr. Stephen Geh Sim Whye (resigned as Member w.e.f. 20 May 2025)	2/2

During the financial year, the Remuneration Committee had carried out the following activities:

- Reviewed and recommended to the Board on the fees and meeting allowances of Non-Executive Directors, particularly on whether the remuneration remains appropriate to each Director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken;
- Reviewed and recommended to the Board on the remuneration of the Board Committee chairman;
- Reviewed and assessed the Directors' fees and benefits payable for the financial year ended 2025; and
- Reviewed and assessed the performance and the remuneration of the Key Senior Management personnel.

#### **Practice 8.1 and 8.2 – Disclosure of Remuneration of Directors**

The details of the remuneration of the Directors of the Board (not including Directors of the subsidiaries) for the financial year are as follows:

	Fees (RM)	Salaries (RM)	Statutory Contributions (RM)	Other Emoluments (RM)	Benefit in kind (RM)	Total (RM)
<b>Non-Executive Directors</b>						
- Dato' Seri Jamil Bin Bidin (appointed on 12 Sept 2024)	26,530	-	-	-	-	26,530
- Datin Norizan Binti Idris	30,000	-	-	-	-	30,000
- Mr. Christopher Lawrence Bachran (Appointed on 12 Sept 2024)	16,583	-	-	-	-	16,583
- Mr. Ho Soo Woon (Appointed on 12 Sept 2024)	36,476	-	-	-	-	36,476
- Mr. Li, Anwei (Appointed on 16 May 2025)	-	-	-	-	-	-
- Mr. Tan Sri Dato' Sri Dr. Samsuddin Bin Hitam (Retired on 12 Sept 2024)	20,833	-	-	-	-	20,833
- Mr. Taufiq Bin Abdul Khalid (Resigned on 12 Sept 2024)	20,833	-	-	-	-	20,833
- Mr. Stephen Geh Sim Whye (Resigned on 20 May 2025)	40,054	-	-	-	-	40,054
- Mr. Rungit Singh A/L Jaswant Singh (Resigned on 20 May 2025)	50,000	-	-	-	-	50,000
Total for Non-Executive Directors	241,309	-	-	-	-	241,309

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### III. Remuneration (Cont'd)

##### **Practice 8.1 and 8.2 – Disclosure of Remuneration of Directors (Cont'd)**

The details of the remuneration of the Directors of the Board (not including Directors of the subsidiaries) for the financial year are as follows (Cont'd):

	Fees (RM)	Salaries (RM)	Statutory Contributions (RM)	Other Emoluments (RM)	Benefit in kind (RM)	Total (RM)
<b>Executive Director</b>						
– Mr. Fong Wai Leong	–	480,000	57,600	22,276	–	559,876
<b>Total for Executive Director</b>	–	480,000	57,600	22,276	–	559,876

The remuneration of the top two (2) Senior Management (including salary, bonus, benefit in kind and other emoluments) are disclosed in band widths of RM50,000 in the Corporate Governance Report.

### PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. Audit Committee

##### **Practice 9.1, Step Up 9.4 and 8.5 – Audit Committee**

The Audit Committee (“AC”) consists of the following members:

- (a) Mr. Ho Soo Woon (Chairman)
- (b) Mr. Christopher Lawrence Bachran
- (c) Datin Norizan Binti Idris

The Chairman of the Audit Committee is not the Chairman of the Board. The Audit Committee Report is set out separately in this Annual Report. Full details of the Audit Committee's duties and responsibilities are stated in its TOR which is available on the Company's website.

##### **Practice 9.2 and 9.3 – Oversight of External Auditors**

In July 2022, in line with the recommended practice 9.2 of the MCGG, the Audit Committee had revised its TOR to include a clause on a minimum cooling-off period of three (3) years before a former key audit partner can be appointed as a member of the Audit Committee.

The Group engaged the external auditors to perform a non-audit services including review of the Statement of Risk Management and Internal Control. The Board, through its Audit Committee maintains a formal and transparent relationship with its external auditors. The Board delegates the responsibility to the Audit Committee for making recommendations on the appointment, reappointment or removal of the external auditors as well as on their remunerations. The Audit Committee ensures that the external auditors work closely with the Internal Auditors to enhance the effectiveness of the overall audit process. The Audit Committee assesses the performance and effectiveness of the external auditors annually, considering amongst others, their qualifications, effectiveness of the audit process, quality of service and their independence.

In the course of their audit, the external auditors highlight to the Audit Committee matters pertaining to financial reporting. Private meetings between them were held once during the financial year without the presence of the Management and Executive Directors, to discuss any issues that may require the attention of the Audit Committee.

## **PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**

### **II. Risk Management and Internal Control Framework**

#### **Practice 10.1 and 10.2 – Board Responsibility on Risk Management and Internal Control**

The Board is responsible for ensuring that risks and also opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with those risks and opportunities. The Company's approach to risk management is based on the identification, assessment, monitoring and management of material risks embedded in its business and management systems. The Statement on Risk Management and Internal Control made pursuant to Paragraph 15.26(b) of the MMLR of Bursa Securities is separately set out in the Annual Report.

The Board recognises risk management as an integral element of business and operations. The objective of the Group's ongoing risk assessment process is to ensure that key risk areas are managed within an acceptable risk profile or tolerance level in order to increase the prospects on achievement of business objectives. The Group's overall risk appetite is based on the assessment of the Group's existing risk management capabilities and capacity.

The Board acknowledges its overall responsibility to maintain effective governance, risk management and compliance framework. Supported by the Management and Internal Audit function, the Board ensures the adequacy and effectiveness of the Group's risk management and internal control practices. The Board is responsible to ensure that the Group complies with all applicable provisions of law and regulations and ensures that appropriate risk management systems are in place throughout the Group. The Audit Committee assists the Board to oversee and review the effectiveness of the Group's risk management and internal control systems. To facilitate effective monitoring, the Board regularly receives reports from the Management on any business risks related to its business activities that have impacted or likely to impact the Company from achieving of its objectives and strategies.

Compliance relating to risk recognition and management is presented in the Group's Statement on Risk Management and Internal Control as set out separately in this Annual Report.

#### **Practice 11.1 and 11.2 – Internal Audit function**

The Board has established an Internal Audit function within the Company which is led by the Senior Management, Internal Audit Unit who reports directly to the Audit Committee. Details of the key elements of the Group's internal controls system are set out separately in the Statement on Risk Management and Internal Control and the Report of the Audit Committee in this Annual Report.

In general, the Group's Internal Auditor provides an independent evaluation of the effectiveness of the risk management and internal control system of the Group based on an agreed scope of work. It also carries out a follow-up review on the issue raised in the previous internal audit and to ensure that the proposed action plan has been implemented by the Management to mitigate the risk exposure of the Group.

The scope of work covered by the Internal Audit function during the financial year, summary of activities carried out, including its observations and recommendations, are provided in the Statement on Risk Management and Internal Control and Audit Committee Report of this Annual Report.

## Corporate Governance Overview Statement (Cont'd)

### **PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

#### **I. Communication with Stakeholders**

##### **Practice 12.1 – Communication with Stakeholders**

The Company is committed to ensure that timely, accurate and complete information about the Company is provided equally to its shareholders, stakeholders and to the general investing public. Timely information is critical towards building and maintaining the Group's corporate credibility, market integrity and promotes investor confidence.

The Board is ultimately responsible for ensuring the Company's disclosure requirements are fulfilled and overseeing the Group's communications with investors. The disclosure and handling of material information within the company are under the purview of the Chief Executive Officer and Chief Financial Officer, who work in consultation with the Company Secretaries. Moreover, the Company has a dedicated department tasked with addressing investor inquiries received through email or phone calls. The Company strives to promote a better understanding of the Group through investor relation activities. Apart from general meetings, the Company has in place the following initiatives to facilitate effective communication with its shareholders:

- (a) The Annual Report, which contains information such as Management Discussion and Analysis, financial statements, and information on the Audit Committee, Corporate Governance, Sustainability and Corporate Social Responsibility, and Risk Management and Internal Control;
- (b) Various announcements made to Bursa Securities, which include the timely release of financial results on a quarterly basis. Concurrent with these releases, the Company posts all announcements on its website;
- (c) Attending to shareholders' and investors' emails and phone enquiries; and
- (d) The Company's website at <http://avillion.listedcompany.com/home.html> under the Investor Relations section, which contain annual reports, quarterly report announcements, stock and other corporate information on Avillion Berhad. The website also provides the Investor Relations contact for shareholders to direct their queries or concerns to.

The timely release of quarterly announcements and full year financial reports reflects the Board's accountability to its shareholders.

#### **II. Conduct of General Meetings**

##### **Practice 13.1 – Notice of general meeting**

General meetings are the important platform for the shareholders to exercise their rights in the Company, either in AGM or Extraordinary General Meetings.

The Notice of General Meetings together with a copy of the Company's Annual Report and/or Circular to Shareholders will be dispatched to shareholders within the prescribed notice period prior to the scheduled general meetings in order to provide sufficient time the shareholders to make the necessary arrangements to attend and participate either in person, by corporate representative or by proxy. The Board encourages shareholders' participation and engagement at the general meeting as it provides an opportunity for the Board to assess the market expectations and more importantly, it provides an avenue for the shareholders to make enquires on the resolutions being proposed and to seek clarification on the business and performance of the Group. Shareholders are invited to the general meetings through a notice of meeting that specify the venue, day and hour of the meeting, as well as the business of the meeting.



**PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)**

**II. Conduct of General Meetings (Cont'd)**

**Practice 13.2 – Attendance of Directors at General Meetings**

The AGM is the principal forum for dialogue and interaction with all shareholders, who are given the opportunity to enquire and seek clarification on the operations and financial performance of the Group.

During the AGM, the Chairman ensures that shareholders are given the opportunity to comment or raise issues and questions whether pertaining to issues on the agenda, the annual report, Group's strategy or developments in the Group. The Chairman plays a vital role in fostering constructive dialogue between the Board and the shareholders. All the members of the Board and the respective chairmen of the Board's Committees are present at the meetings to address queries raised by the shareholders which are relevant to their areas of responsibility.

**Practice 13.3 – Voting**

The Company's General Meetings have always been held at venues which are easily accessible by its shareholders.

Shareholders are entitled to appoint representatives or proxy/proxies/Chairman to vote on their behalf in their absence. The Company is supportive of technologies that can facilitate remote shareholders' participation and voting.

The Company will be conducting its upcoming AGM at a physical venue with electronic voting facilities.

The Company's shareholders are entitled to appoint corporate representatives or proxy(s) to participate and vote on their behalf in their absence at the AGM via the voting facilities.

**Practice 13.4 – General Meetings**

**Practice 13.5 – Conduct of Virtual General Meeting**

Shareholders are encouraged to participate and vote during the Company's AGM using the voting facilities.

Prior to the AGM, the shareholders are allowed to submit any questions online by scanning the QR Code or clicking the link provided in the Administrative Guide. During the AGM, the shareholders are encouraged to submit typed questions in real time within the Question and Answer ("Q&A") Box at the bottom of the messaging screen. Any questions can be submitted at any time until the announcement of the closure of the Q&A session.

The Directors and Management have answered all the questions submitted prior or during the meeting during the Q&A session.

All Directors and Senior Management had attended the fully virtual AGM held on 12 September 2024 to engage directly with shareholders and be accountable for their stewardship of the Company.

An Administrative Guide was released together with the Notice of AGM, whereby the shareholders are entitled to appoint proxy/proxies to participate and vote, instead of shareholders themselves, by submitting the Form of Proxy to the Registered Office of the Company not later than forty-eight (48) hours before the time appointed for the taking of poll at the meeting or adjourned meeting.

The Company had appointed ShareWorks Sdn. Bhd. as the Poll Administrator to conduct the poll by way of online voting and to provide a virtual meeting facility for the 32<sup>nd</sup> AGM held on 12 September 2024.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### II. Conduct of General Meetings (Cont'd)

##### ***Practice 13.6 – Minutes of the General Meeting***

The minutes of the 32<sup>nd</sup> AGM was made available to the shareholders on its website and the Company will upload the minutes of upcoming 33<sup>rd</sup> AGM no later than 30 business days after the AGM on its website.

### ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the MMLR of Bursa Securities:

#### • **Utilisation of proceeds raised from 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 19 November 2021 respectively.

The status of utilization of proceeds raised from the aforementioned Placement Shares as at 31 March 2025 were as follows:

	Circulated date 3 Dec 2019 RM'000	Proceed raised RM'000	Approved revised RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Intended Time Frame for Utilisation
Repayment of bank borrowings	6,000	6,000	4,889	4,889	–	
Asset enhancement & refurbishment programme	10,000	10,000	5,611	2,599	3,012	Within 6 months
Part funding of Desa Impian Project	3,000	3,000	3,000	3,000	–	
General working capital	7,093	3,316	8,816	8,816	–	
Estimated expenses	350	350	350	350	–	
<b>Total</b>	<b>26,443</b>	<b>22,666</b>	<b>22,666</b>	<b>19,654</b>	<b>3,012</b>	

On 16 May 2025, the Company announced its proposed to undertake the following:

- proposed private placement of up to 283,322,100 new ordinary shares in Avillion Berhad ("Avillion"), representing up to approximately 25% of the total number of issued shares of Avillion (excluding treasury shares, if any) ("**Proposed Private Placement**"); and
- proposed variation to the utilisation of proceeds raised from the Company's previous private placement of new ordinary shares ("**Proposed Variation**").

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

The following information is provided in compliance with the MMLR of Bursa Securities (Cont'd):

- **Utilisation of proceeds raised from Corporate Proposals (Cont'd)**

On 8 July 2025, Bursa Securities vide a letter, resolved to approve the listing of and quotation of the Placement Shares on the Main Market of Bursa Securities.

On 29 July 2025, the Proposed Private Placement had obtained the approval from the shareholder of Avillion Berhad at the Extraordinary General Meeting held on the same date. However, the Proposed Private Placement has yet to be completed as at 31 July 2025 and hence, no proceed was raised as at the date of this report.

- **Audit and Non-Audit Fees**

During the financial year ended 31 March 2025, the amount of audit and non-audit fees paid/payable by the Group and the Company to the external auditors for services rendered to the Company and its subsidiaries are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
– statutory audit		
– Baker Tilly Monteiro Heng PLT	311	91
– other auditors	89	–
– non-statutory audit		
– Baker Tilly Monteiro Heng PLT	6	6

- **Material Contracts with Related Parties**

There were no material contracts entered into by the Company and its subsidiaries involving Directors, Chief Executive who is not a Director and major shareholders' interests, either subsisting at the end of the financial year or entered into since the previous financial year.

## STATEMENT OF COMPLIANCE WITH THE CODE

The Board is satisfied that the Group has substantially complied with the majority of the practices of the MCGG throughout the financial year. In pursuit of safeguarding the interest of the shareholders and other stakeholders, the Board is committed and will continue to strengthen its application of the best practices in corporate governance.

The Board is responsible for ensuring that the financial statements are properly drawn up so as to give a true and fair view of the financial position of the Group at the end of the financial year. In preparing the financial statements, the Board ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016 have been applied.

# AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the Audit Committee Report for the financial year ended 31 March 2025 which is appended below:-

## 1.0 COMPOSITION

Chairman :	Mr. Ho Soo Woon <i>Independent Non-Executive Director</i>
Committee Members :	Datin Norizan Binti Idris <i>Independent Non-Executive Director</i>
	Mr. Christopher Lawrence Bachran <i>Independent Non-Executive Director</i>

## 2.0 TERMS OF REFERENCE

The Terms of Reference of the Audit Committee are available on the corporate website at [www.avillionberhad.com](http://www.avillionberhad.com).

## 3.0 AUDIT COMMITTEE MEETINGS

During the financial year ended 31 March 2025, the Audit Committee held eight (8) meetings. The details of attendance of each Committee member are as follows:-

Designation	Director	No. of Meetings Attended
Chairman	Mr. Ho Soo Woon (appointed as Chairman on 02 Oct 2024)	5/8
Committee Member	Datin Norizan Binti Idris	7/8
	Mr. Christopher Lawrence Bachran (appointed as member on 26 May 2025)	2/8

## 4.0 SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

For the financial year ended 31 March 2025, the key activities undertaken by the Audit Committee included the following:-

### a) Annual Budget and Financial Reporting

- Evaluated the Group's annual budget, business strategies deployed and other proactions taken for the Board of Directors ("the Board") approval.
- Reviewed the quarterly and annual financial statements, any significant variances against the budget and draft announcements to Bursa Securities with the Management and External Auditors, where applicable, before recommending them to the Board for approval.
- Deliberated on adequacy of key disclosures in the financial statements, conformity with the accounting standards and practices and other matters relevant to the Group's operations in all material aspects.
- Assessed the Group's ability to meet its contractual and financial commitments as and when they fall due and proaction measures initiated with the presence and explanations of the Chief Executive Officer and Chief Financial Officer.

#### **4.0 SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)**

**b) External Audit**

- Reviewed and approved the External Auditors' annual audit planning memorandum, outlining amongst others, the engagement team, their audit approach, scope of work and significant accounting and auditing matters which affect financial reporting.
- Reviewed and noted the audit conclusions, key matters arising and the Management's responses.
- Discussed with the External Auditors, the impact of significant accounting and auditing updates arising from new or proposed changes in accounting standards and regulatory requirements for conformity in relation to the financial statements.
- Conducted private sessions with the External Auditors, when required, on the audit, financial statements and other matters without the presence of the Management to ensure any contentious issues are raised for its attention.
- Evaluated the suitability, performance, independence and objectivity of the External Auditors for their reappointment as Auditors and recommended their reappointment and proposed audit fees to the Board for approval.

**c) Internal Audit**

- Assessed and adopted the risk based annual Internal Audit Plan to ensure adequacy of audit scope, frequency and allocated resources over the activities of the Group's business and support divisions.
- Reviewed the scheduled audit reports, key issues, potential risk implications, audit recommendations, Management's responses, agreed remedial actions for improvements and timelines.
- Monitored and deliberated the outcomes of follow up audit reports to assess the status of agreed action plans by the Management on recommendations raised in preceding cycles of audit. Specific timelines were set and agreed by the Management for outstanding matters to be resolved.
- Assessed promptness, adequacy and effectiveness of the Management's remedial actions taken to ensure key risk concerns were satisfactorily addressed.

**d) Annual Report**

- Reviewed and recommended the reports and statements in the Annual Report 2025 for the Board's approval.

#### **5.0 SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION**

Functionally, the Internal Audit reports directly to the Audit Committee. Its principal role is to undertake periodic reviews on the state of the risk management and internal control system of the Group's key business and support divisions. The primary objective of these reviews is to provide reasonable assurance to the Audit Committee that the system continues to operate satisfactorily, effectively and compliance with Regulations.

The annual Internal Audit Plan prepared based on the Group's business and risk environment is deliberated and approved by the Audit Committee to ensure the key controls addressing those identified potential risks are reviewed.



## Audit Committee Report (Cont'd)

### 5.0 SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION (CONT'D)

**For the financial year ended 31 March 2025, the Internal Audit activities carried out included the following:–**

- Tabled the annual Internal Audit Plan to the Audit Committee for deliberation and approval. The Audit Plan took into consideration key risks impacting the Group and feedback from the Management on key areas of concern.
- Conducted scheduled audit engagements and walk through processes of the Group's business and support divisions, focusing primarily on key business processes, prevailing support systems, controls and governance processes, safeguarding of assets, operational efficiency and effectiveness, conformity with policies and procedures and relevant laws and regulations.
- Performed follow up reviews on implementation of agreed remedial actions as reported in previous audit reports and findings to ensure they had been promptly and adequately addressed.
- Assessed the adequacy and effectiveness of the Group's risk management and internal control system in identifying, evaluating, managing and monitoring key potential risks.
- Presented audit reports to the Audit Committee and Management which highlighted key concerns, root cause(s), potential risk implications, audit recommendations, Management's comments with proposed corrective actions and implementation datelines. The audit recommendations took into consideration, the Group's strategic directions, corporate and business objectives and key risks within its diversified and fluid business environment.
- Followed up on ad hoc requests and recommendations of both the Audit Committee and Management on the audit plan, scope and reports. To maintain its independence and objectivity during the audit, the Internal Audit function does not assume any authority, responsibility and accountability over any aspects of the business and support divisions reviewed.

For the financial year under review, the total cost incurred in relation to the internal audit function amounted to approximately RM270,000 (2024: RM200,000).

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## 1.0 INTRODUCTION

The Board of Directors ("the Board") is pleased to present the Statement on Risk Management and Internal Control ("Statement") which delineates the nature and scope of the Group's risk management and internal control systems for the financial year ended 31 March 2025. The Statement is prepared in accordance with Paragraph 15.26(b) of Bursa Malaysia Main Market Listing Requirements and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## 2.0 RESPONSIBILITIES OF THE BOARD

The Board affirms its ultimate responsibility for continuing to maintain viable risk management and internal control practices to safeguard its shareholders interests, customers, employees and the Group's assets. The internal control system does not encompass only financial controls but operational and compliance controls to manage identified key risks.

In view of day to day business decisions which entail certain degree of risk and the inherent limitations in any system of risk management and internal control, the prevailing system can only manage risks within an acceptable level, rather than eliminate the risk of failure to meet business objectives. As such, the system can only provide reasonable except absolute assurance against the risks of fraud, material misstatements or financial losses arising from unforeseeable circumstances or events. In this regard, weightage of the system implementation cost against the expected benefits to be derived had been duly considered.

The Board recognises that the review of the risk management and internal control system is a concerted and continuous process. Hence, periodic reviews of the key business processes are continuously being undertaken to ensure the adequacy and integrity of the aforesaid system. In the review of the risk management and internal control system, key risks, probability of occurrence, potential risk implications, mitigating controls and cost of controls are looked into.

## 3.0 RISK MANAGEMENT SYSTEM

The Board recognises that all business decisions involve taking of appropriate risks. Effective risk management requires balancing potential returns against key risks and the cost of managing risks. The Group's risk appetite and tolerance level is determined by its existing risk management capabilities and capacity.

In fulfilling its fiduciary responsibilities, the Board performs risk oversight and delegates daily business decisions to the Management team who are entrusted as risk owners. The Management team comprises the corporate, business and support divisions.

The Management team, in their respective roles is tasked with the responsibility of ingraining risk management into the business and operational processes to ensure that they remain effective and relevant today. The key elements of the risk management process are:-

### 3.1 Risk Identification, Monitoring & Reporting

The Group adopts a 'Two Lines of Defence' risk management approach which provides a formal and transparent risk governance structure to promote active involvement from the Board and Management at Corporate level together with the heads of business and support divisions.

At business operations level, the heads of business and support divisions with their employees, within their scope of responsibilities, are collectively responsible and accountable to ensure risk management is integrated in their core business activities. They assess identified risks based on likelihood of occurrence and impact on business activities. Areas of control relevant to their business requirements are identified before the necessary controls and actions are devised to manage risks within their acceptable risk tolerance. This structure enables the respective divisions to have a 'voice' in support of the risk management initiatives and provide adequate feedback. The heads of business and support divisions update the Management at corporate level on key risks, implications and other relevant matters for deliberation before they are escalated to the Board.

## Statement On Risk Management And Internal Control (Cont'd)

### 3.0 RISK MANAGEMENT SYSTEM (CONT'D)

#### 3.1 Risk Identification, Monitoring & Reporting (Cont'd)

Under the purview of the Board's oversight responsibility, the External Audit and Internal Audit functions provide the Board with further assurances by conducting independent and objective assessments to assess and ascertain if the controls adopted by the business and support divisions are adequate and reliable in managing the identified risks and conform with statutory and regulatory requirements. Board meetings with the Management are carried out at least once every quarterly in a year or as and when required to discuss strategic, financial, operational and other agenda.

#### 3.2 Risk Assessment

The Management identifies and evaluates the key risks of the business and support based on likelihood of occurrence and potential risk implications before they are further assessed and deliberated at the Group level. The objective is to ensure a balanced achievement of the Group's corporate and business objectives, operational efficiency and cost effectiveness can be attained.

### 4.0 INTERNAL CONTROL SYSTEM

The internal control system comprises financial, operational and compliance controls to manage and mitigate identified principal risks. The principal features of the Group's internal control system include the following:–

#### 4.1 Control Environment

- 4.1.1 The control environment sets out the Group's overall control awareness and approach. Its vision and mission statement and strategic business direction is communicated 'top down' to all employees to reinforce corporate core values of commitment, integrity, speed and cost effectiveness.
- 4.1.2 The Board committees namely, the Audit Committee, Nomination Committee and Remuneration Committee had been established to assist the Board in executing its governance responsibilities and oversight function. These committees are governed by their respective defined terms of reference and authority.
- 4.1.3 A formalised organisation structure with defined lines of reporting, levels of authority, responsibility and accountability is in place for planning, executing, controlling and monitoring business operations to ensure independent and effective stewardship and appropriate segregation of duties for check and balance measures. The prevailing system of checks and balances and review and reconciliation processes are subject to periodic review and improvement to prevent any conflict of interest, material human errors and abuses.

#### 4.2 Control Activities

- 4.2.1 Established policies and procedures provide guidance and direction for the management of operational and business activities. Processes on the assessment and approval of capital/ investment expenditure, evaluation of asset disposal, investment funding, monitoring of the performance of investments and authorisation limits are in place. These processes are periodically reviewed and updated, when required, in accordance with any changes in the Group's business strategy, operations, economic and business environment.
- 4.2.2 Based on the Group's strategies and risk appetite, the business and support divisions prepare annual business plans, financial and operating budgets for review by the Management before approval by the Board. Variances between approved budget, operating results and prior period's results are reviewed as part of performance management evaluation in order to formulate remedial and mitigation plans for improvement of financial results. The Management conducts periodic review and update of the Group's cashflow position, contractual and financial commitments, corporate and other operational matters.

#### **4.0 INTERNAL CONTROL SYSTEM (CONT'D)**

##### **4.2 Control Activities (Cont'd)**

- 4.2.3 Review and updating of the employee recruitment process, performance evaluation, training and development programmes required are periodically carried out to improve and sustain a competent workforce, talent retention and business continuity. All employees are contractually bound to observe the prescribed standards of business ethics in their conduct at work and their relationships with external parties including customers, suppliers, contractors and other parties.
- 4.2.4 The established Anti Bribery and Corruption Policy and the Whistleblowing Policy provide clarity of the processes, protection and confidentiality to whistleblowers. The policies as reported in the Company's website provide an accessible and safe reporting protocol for employees and other stakeholders to report their genuine concerns on any potential or suspected improprieties, malpractices and misconduct within the Group. It reaffirms the Group's ongoing commitment to ensure its business activities are conducted with integrity in an open and transparent manner and in accordance with policies and procedures and applicable laws and regulations.

##### **4.3 Information and Communication Processes**

- 4.3.1 Scheduled Board and Management meetings are conducted at least once every quarterly annually and also on an ad hoc basis, when required, to provide a forum for regular dialogues and feedback in a timely, transparent and confidential manner. The Management updates the Board on any significant changes in the external business environment which may impact business operations.
- 4.3.2 The business and support divisions generate financial, management and other relevant reports on a regular and consistent basis. These comprehensive reports enable the Management to perform financial and operational reviews on the respective operating entities for timely decision making and expediting of necessary actions.
- 4.3.3 The above reports facilitate the Board and Management to assess and conclude if the financial and operational results attained are aligned with the Group's business objectives and goals.

##### **4.4 Planning, Monitoring and Reporting Activities**

- 4.4.1 The Board oversees the performance of the Group's businesses and operations by reviewing regular, comprehensive and up to date information from the Management on finance, operations, economic and market conditions. At the Management and operations meetings, business strategies, financial, operational and external business environment matters are discussed to formulate action plans to address key risk concerns. Direction of risk mitigation measures are finetuned, when required, to ensure action plans are appropriate and adequate in addressing risk factors. Therefore, the Board is regularly updated on the status of contractual and financial commitments, risk management, internal controls and other matters.
- 4.4.2 Based on the risk based annual Audit Plan approved by the Audit Committee, the Internal Audit function carries out scheduled and follow up audits of key business and support divisions. Key audit matters, root cause(s), risk identification and implications, recommendations and management's action plans to address the identified risks are reported to the Audit Committee and Management. Hence, the outcome of these audit engagements provide the Board with an independent and balanced assurance on the adequacy and effectiveness of the risk management and internal control environment.
- 4.4.3 The Group's policies and procedures are subject to periodic review and update by the Management, operational and support divisions to factor in any changes in business, operational, statutory and regulatory requirements with the changing risk environment.



## Statement On Risk Management And Internal Control (Cont'd)

### 5.0 REVIEW BY INTERNAL AUDITOR

Group Internal Audit independently reviews the internal controls to provide the Audit Committee with sufficient assurance that the system of internal control are effective to address the risks identified. This department carries out the function in accordance with the code of ethics and standards set by the International Professional Practices Framework (IPPF) issued by the Institute of Internal Audits and where applicable, reference is made to the standards and statements issued by international accounting and professional bodies.

### 6.0 REVIEW BY EXTERNAL AUDITOR

For the financial year ended 31 March 2025, the External Auditors had performed a limited assurance engagement to report on this Statement on Risk Management and Internal Control for inclusion in the Annual Report. They had reported to the Board that to their best knowledge, nothing came to their attention to believe that this Statement prepared was inconsistent in all material aspects based on the disclosures required by Paragraph 41 and 42 of the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers to be set out, nor is the Statement factually inaccurate.

In accordance with the Malaysian Approved Standards on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Review of Historical Financial Information and AAPG3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report does not require the External Auditors to consider if the Directors' Statement on Risk Management and Internal Controls covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures including the assessment and opinion by the Board of Directors and Management thereon. They are also not required to consider if the said processes reported to manage the key internal control aspects of any potential significant matters as described in the Annual Report will in fact remedy the matters.

### 7.0 CONCLUSION

For the financial year under review, based on evaluation of the reasonable assurances from the Chief Executive Officer, Chief Financial Officer and other relevant assurance providers, the Board is of the view that, the prevailing risk management and internal control system is operating satisfactorily in all material aspects, with improvement opportunities. Nevertheless the Board recognises that the risk management and internal control system must continuously evolve in tandem with the changes and challenges in the external business environment from time to time.

Therefore the Board and the Management shall continue to review and implement appropriate measures to reinforce the risk management and internal control environment of the Group.

This Statement was approved by the Board of Directors on 31 July 2025.

## ABOUT THIS STATEMENT

We have prepared this statement in accordance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements and with guidance from its Sustainability Reporting Guide (3rd Edition).

## REPORTING SCOPE AND BASIS

Business Divisions covered under this report are:

Division	Properties/Projects
Hotel	<ul style="list-style-type: none"> <li>Avillion Port Dickson, Negeri Sembilan</li> <li>Avillion Admiral Cove, Port Dickson, Negeri Sembilan</li> </ul> <p>Note: The revenue from these two hotels represented 96% of the Hotel Division's total revenue from 1 April 2024 to 31 March 2025.</p>
Property	<ul style="list-style-type: none"> <li>Admiral Marina &amp; Leisure Club</li> <li>Desa Impian, Bandar Tenggara, Bukit Tinggi, Johor</li> </ul>
Travel	<ul style="list-style-type: none"> <li>Singapore and Hong Kong Business operation</li> </ul>
Corporate	Kuala Lumpur, Federal Territory

Other business operations or assets deemed to be of minimal significance or non-revenue generating are not included in this report. This statement refers to the financial period from 1 April 2024 to 31 March 2025. All data collection in this statement are verified by the respective management team of the business division and review by the Management and approved by the Board of Directors. We welcome feedback or suggestions from our stakeholders to improve on this statement [info@avillionberhad.com](mailto:info@avillionberhad.com).

## SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability is a core value at Avillion Berhad ("Avillion"). The Board of Directors plays a crucial role in driving sustainability initiatives across the organisation. The Board acknowledges the need to balance its business sustainability with responsible environmental and social consideration. The Group's ultimate goal towards achieving its business objectives is to operate its businesses in an economically, environmentally and socially responsible manner with effective governance structure and business ethics in the stakeholders' interests. The stakeholders comprise namely, shareholders, customers, employees, bankers, suppliers and contractors, government and regulatory authorities.

The Board is supported by various committees, such as the Audit, Remuneration, and Nomination Committees, which assist in monitoring organisational performance, enhancing risk management, and strengthening internal controls.

To further streamline its sustainability efforts, Avillion is in the process of forming a dedicated Sustainability Working Committee. This committee will concentrate specifically on the Company's sustainability or ESG-related objectives, policies, and practices.



## Sustainability Statement (Cont'd)

### STAKEHOLDER ENGAGEMENT

All stakeholders' interests form an integral part of the Group's sustainability initiatives. The stakeholder groups comprise those parties who are directly or indirectly impacted by its business operations, or can significantly impact the business operations.

The effectiveness of the sustainability initiatives is dependent on whether the needs of the diverse stakeholder groups can be assessed and successfully addressed. Therefore, ongoing engagement activities with the stakeholders are carried out to understand their insights and how their concerns can be addressed to reinforce the sustainability measures. Stakeholders are provided with up-to-date information to enable them to understand the Group's challenges, ongoing initiatives and objectives with greater clarity.

A summary of the engagement activities held with the respective stakeholders and the Group's responses is as follows:-

Stakeholder	Engagement Approach	Engagement Frequency	Stakeholder Expectations	Group's Responses/ Initiatives
a) Shareholders & Investors	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Annual &amp; quarterly reports</li> <li>Corporate announcements</li> <li>Annual General Meeting</li> <li>Extraordinary General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Annual</li> <li>As required</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance &amp; transparency</li> <li>Business sustainability</li> <li>Corporate governance</li> <li>Market position &amp; industry reputation</li> </ul>	<ul style="list-style-type: none"> <li>Improve growth trajectory to generate sustainable financial returns</li> <li>Adopt best practices in corporate governance &amp; social responsibility</li> <li>Shareholder &amp; investor engagement</li> </ul>
b) Financiers	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Annual &amp; quarterly reports</li> <li>Corporate announcements</li> <li>Institutional briefings &amp; presentations</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Annual</li> <li>As required</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance &amp; transparency</li> <li>Business sustainability</li> <li>Corporate governance</li> <li>Market position &amp; industry reputation</li> <li>Financier relationship management</li> </ul>	<ul style="list-style-type: none"> <li>Business strategy management, risk assessment &amp; responsible business practices to improve financial performance &amp; sustainable returns</li> </ul>

**STAKEHOLDER ENGAGEMENT (CONT'D)**

Stakeholder	Engagement Approach	Engagement Frequency	Stakeholder Expectations	Group's Responses/ Initiatives
c) Customers (Existing & Potential)	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Customer relationship management</li> <li>Customer satisfaction survey/ feedback system</li> <li>Multiple channels (eg. meetings, events, social media)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Market position &amp; industry reputation</li> <li>Product and service innovation, quality &amp; delivery standards money</li> <li>Customer satisfaction</li> <li>Effective resolution of complains &amp; improvements</li> <li>Customer safety, property security &amp; data protection</li> </ul>	<ul style="list-style-type: none"> <li>Performance oriented &amp; service excellence in improving guest experience &amp; satisfaction</li> <li>Events/ competitions</li> <li>Online/offline communication channels</li> </ul>
d) Employees	<ul style="list-style-type: none"> <li>Annual performance review</li> <li>Training requirement analysis</li> <li>Management meetings</li> <li>Multiple channels (e.g. meetings, events, departmental briefing, training, team building activities)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance &amp; business direction</li> <li>Market position &amp; industry reputation</li> <li>Remuneration, benefits &amp; incentives</li> <li>Training &amp; career development</li> <li>Occupational safety &amp; security</li> </ul>	<ul style="list-style-type: none"> <li>Performance oriented appraisal to inculcate competent work culture</li> <li>Staff training &amp; development</li> <li>Meetings/ dialogue sessions for employee engagement &amp; feedback</li> <li>Safe working environment</li> </ul>
e) Suppliers/ Contractors	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Supplier evaluation</li> <li>Quotation request</li> <li>Tender/ bidding</li> <li>Multiple channels (eg. site visits, meetings)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance &amp; business direction</li> <li>Market position &amp; industry reputation</li> <li>Ethical &amp; efficient supplier management &amp; collection system</li> </ul>	<ul style="list-style-type: none"> <li>Manage suppliers &amp; service providers responsibly</li> <li>Transparent purchasing/ procurement policies &amp; procedures</li> <li>Online/offline communication channels</li> </ul>



## Sustainability Statement (Cont'd)

### STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder	Engagement Approach	Engagement Frequency	Stakeholder Expectations	Group's Responses/ Initiatives
f) Regulatory/ Government Authorities	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Reporting</li> <li>Multiple channels (eg. consultations, meetings, seminars, forums)</li> </ul>	<ul style="list-style-type: none"> <li>Periodically</li> <li>As required</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance &amp; business direction</li> <li>Market position &amp; industry reputation</li> <li>Compliance with regulatory/ government authorities' requirements</li> <li>Regulatory disclosures</li> <li>Support government policies &amp; initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Annual Report</li> <li>Compliance with regulatory requirements</li> </ul>
g) Associations/ Media/Local Communities	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Multiple channels (eg. meetings, events, social media)</li> </ul>	<ul style="list-style-type: none"> <li>Periodically</li> <li>As required</li> </ul>	<ul style="list-style-type: none"> <li>Market position &amp; industry reputation</li> <li>Association &amp; community engagement &amp; support</li> <li>Eco centric corporate social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Participation in association events &amp; sponsorship programs</li> <li>Social contribution, community service programs &amp; sports events</li> </ul>

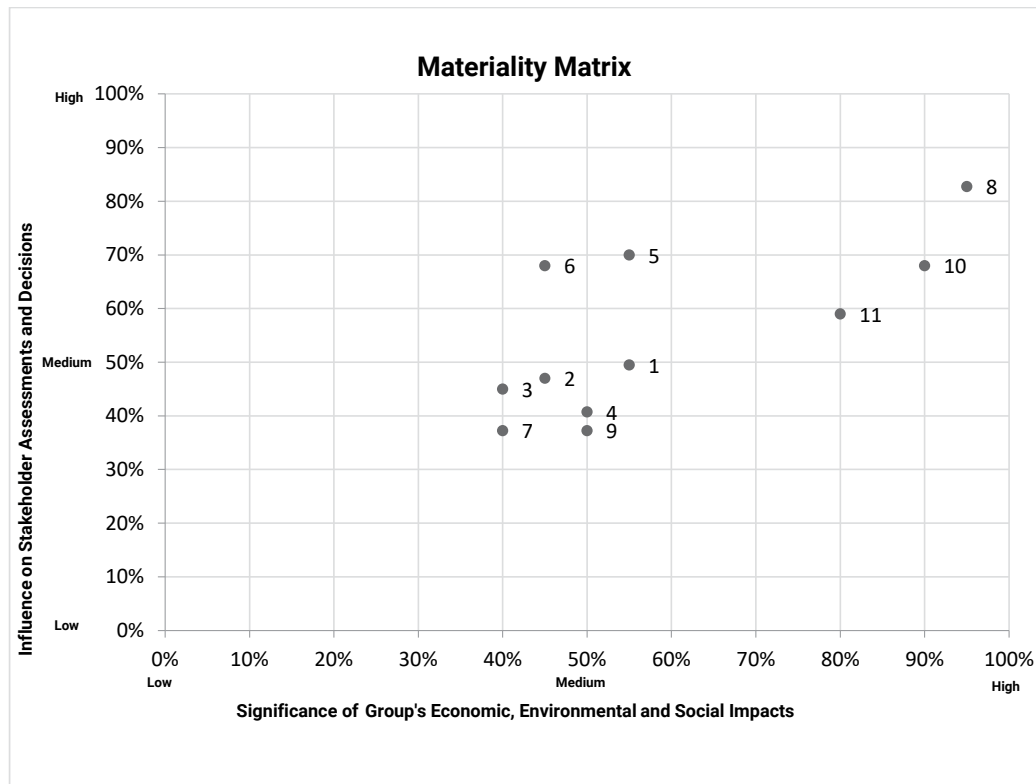
### ASSESSMENT OF MATERIAL SUSTAINABILITY MATTERS

Materiality assessment is a crucial and ongoing aspect of sustainability management. The Management and respective division heads conduct evaluation of key sustainability areas, risks and opportunities annually or when required to assess areas of improvement in comparison with previous years based on the changing business and risk environment, internal policies, regulatory developments and stakeholders' feedback.

With the Board's continuing support and the Management's encouraging commitment, the renewed materiality assessment enables the Group to be mindful of the diverse stakeholder expectations and concerns to ensure sustainable value creation. In the pursuit of business objectives and growth, the Group adopts a precautionary approach to minimise any negative environmental and social impact arising.

The material sustainability matters were ranked based on the relative importance of material matters to the Group's business operation and to its stakeholders. The Group's materiality matrix was derived based on the ranking of the material sustainability matters.

## ASSESSMENT OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)



### Environmental

- (1) Energy Management
- (2) Water Management
- (3) Waste Management



### Social

- (4) Diversity Equality & Inclusion
- (5) Health and Safety
- (6) Labour Practices and Standards
- (7) Community Investment



### Governance

- (8) Economic Performance
- (9) Supply Chain Management
- (10) Business Integrity & Anti-Corruption
- (11) Data Privacy and Security

## Sustainability Statement (Cont'd)



### ENVIRONMENTAL

#### ENERGY MANAGEMENT

##### Why material to us

Efficient energy management has a direct impact on sustainability and create a positive impact on the air and water quality and climate change.

Energy cost can take out a significant portion of our bottom line. Implementing energy-efficient measures in our hotel properties can lead to financial and environment benefits.

We aim to reduce energy use and greenhouse gas (GHG) emissions as part of our commitment to operating efficiency and maintaining our reputation as a socially responsible organisation.

##### Our approach

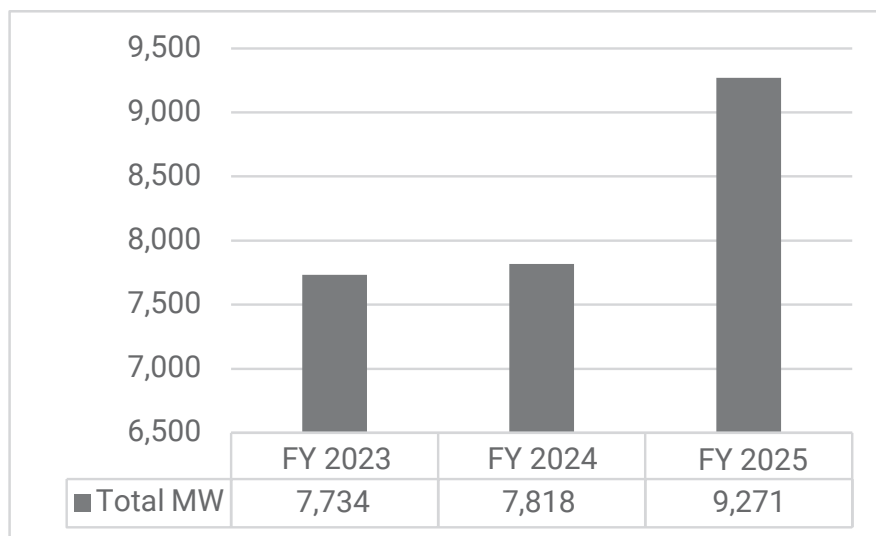
The majority of our energy consumption is from our hotels. For FY 2024 and FY 2025, electricity consumption rose due to revitalised business activities and increased occupancy in our hotels following the promotions.

Despite this, we remain firmly committed to reducing our energy consumption and continually seeking ways to enhance efficiency. Measures taken include embarked on a programme to change all the light bulbs used in our hotel and corporate office from regular light bulbs to energy saving light bulbs. Lower energy consumption equates to less energy and resources wasted in the day-to-day running of our hotels.

We have taken step to change workplace energy culture and encourage our employees to adopt sustainable practices and conserve electricity.

We are also exploring renewable energy production for our properties for its suitability and feasibility.

##### *Total Energy Consumption (MW)*



## WATER MANAGEMENT

### Why material to us

Water is important for our business. We use water for facility maintenance, cooling systems, sanitation, cooking and leisure activity.

Effective water management has a direct impact on sustainability and helps to ensure the continued availability of this resources for business needs.

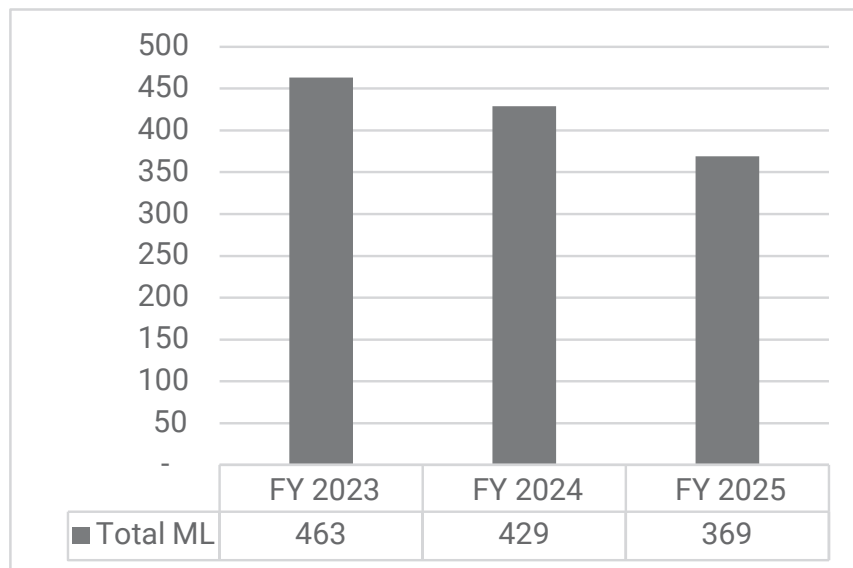
We aim to implement effective water conservation measures as part of our commitment to contributes to sustainability goals and maintaining our reputation as a socially responsible organisation.

### Our approach

Majority of our water consumption is from our hotels. Based on the trend showed that water consumption has been reduced year by year in line with the company's effort for sustainability.

Our hotels have introduced various means to restrain water usage. These involved the installation of water-saving flush systems and other water-saving devices. Our hotel also encourages guests to reuse towels and linen to reduce water consumption. From time to time, hotel maintenance performed regular checks to prevent for water leakages due to old age of pipes.

*Total water consumption (ML)*



## WASTE MANAGEMENT

### Why material to us

Effective waste management practices contribute to cost reduction and operational efficiency by minimising waste generation and implementing recycling programs. As such, companies can reduce disposal costs and optimise resource utilisation.

Our dedication to proper waste disposal is unwavering, as we strive to safeguard our natural resources and ensure the well-being of our communities through vigilant and sustainable practices.

## Sustainability Statement (Cont'd)

### WASTE MANAGEMENT (CONT'D)

#### Our approach

We recognise the significance of our waste generation and its environmental impact. The Group remains committed to minimise waste through the implementation of sustainable waste management practices. To mitigate waste generation, the Group's waste management strategy prioritises minimising the use of plastics and paper wherever feasible.

We advocate for the principles of reduce, reuse and recycle which form the cornerstone of our efficient waste management strategy.

We plan to conduct stricter monitoring and data collection of our waste management practices and outputs in FY 2026. This will enable us to compile a comprehensive data for reporting and to implement initiatives based on data obtained.



## SOCIAL

### DIVERSITY, EQUALITY AND INCLUSION

#### Why material to us

Avillion embraces diversity at the Board level and in the workforce. A diverse workplace boost innovation and creativity within an organisation. This diversity of talent means a broader range of skills among employees and a variety of experiences and perspectives, which increases the potential for increased productivity, improvement in overall business performance and enhance our business reputation.

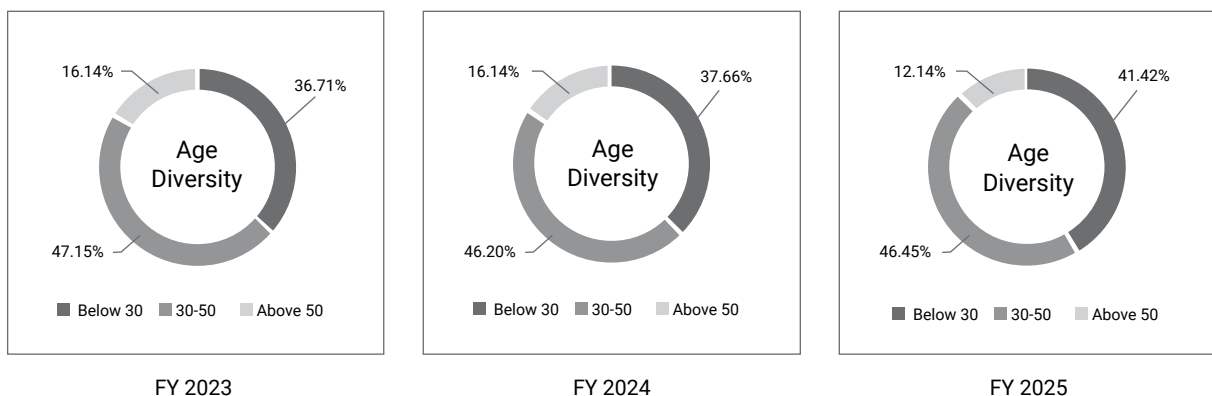
#### Our approach

We are mindful that a diverse and inclusive workforce is vital for our business growth and sustainability.

Our employees are hired based on merit and credibility. We do not condone any form of discrimination based on personal characteristics such as gender, race, religion, age, and marital status.

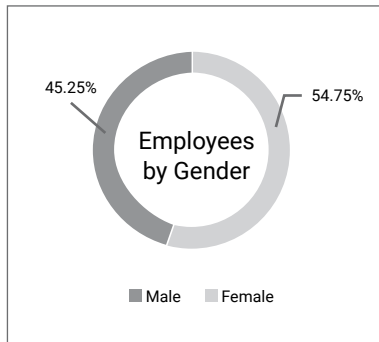
We are unwavering in our commitment to maintain a harmonious relationship with our employees and are guided by our policies such as Human Resources Policy and Code of Conduct and Business Ethics Policy.

#### *Employee breakdown by age and gender*

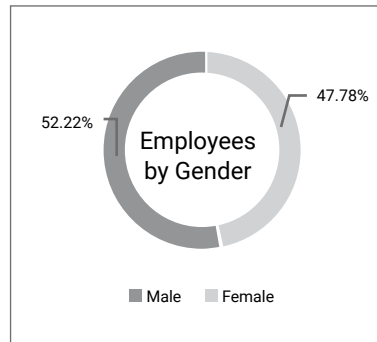




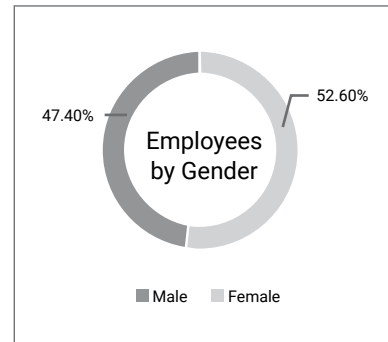
**DIVERSITY, EQUALITY AND INCLUSION (CONT'D)**



FY 2023



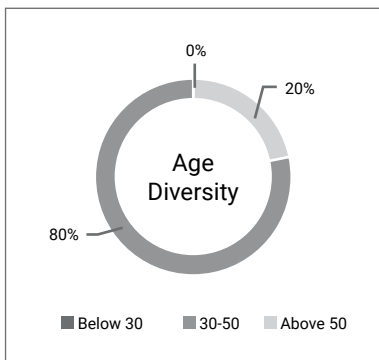
FY 2024



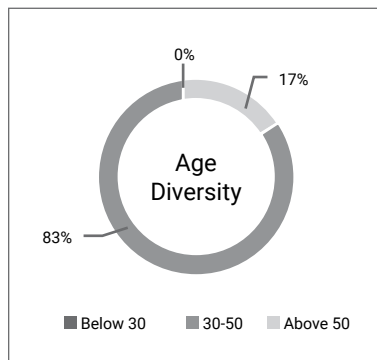
FY 2025

Note: the above data is based on data recorded at the end of the financial year.

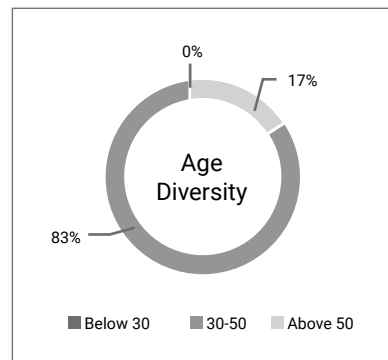
*Director breakdown by age and gender*



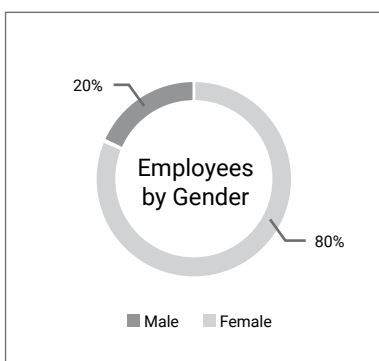
FY 2023



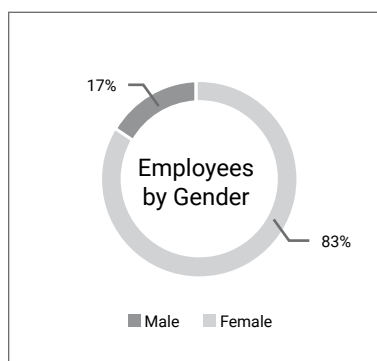
FY 2024



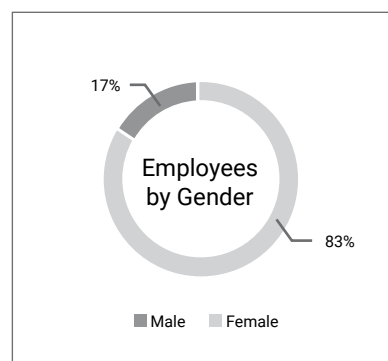
FY 2025



FY 2023



FY 2024



FY 2025

## Sustainability Statement (Cont'd)

### HEALTH AND SAFETY

#### Why material to us

The Group prioritise the health and safety of our employees by providing a safe, healthy, and conducive working environment. This will ultimately lead to the increase in efficiency and productivity.

#### Our approach

We place emphasis on the health and safety aspects of our employees. We maintain a conducive work environment to ensure the safety of the workplace and free from any disruptive influence due to internal and external conditions.

To promote occupational health and safety awareness, safety training programmes was organised on regular basis.

We recognise the important of positive lifestyle, we promoting sports and cultivate teamwork amongst employees through recreational events and sports activities.

#### *Incident rate and training provided*

	Measurement unit	FY 2023	FY 2024	FY 2025
Number of work-related fatalities	Number	–	–	–
Lost time incident rate ("LTIR")	Rate	N/A	0.67	N/A
Number of employees trained on health and safety standards	Number	64	58	81

### LABOUR PRACTICE AND STANDARDS

#### Why material to us

The Group believes that our workforce is our greatest asset. Building employee capability is a key focus for our business. We allocate resources to learning and development initiatives and ensure it aligns with our business requirement.

#### Our approach

We organised a wide range of service and functional skills training activities for all grade of employee. Leadership development programmes are also offered at various levels, assisting staff to achieve their grow within the organisation.

The Group provides orientation programmes for new hotel employees. Orientation is conducted every fortnight at the hotel level. A monthly briefing session will be conducted for our hotel employee to refresh their product knowledge and latest progress in the Group and hotel management.

By Employee Category	No. of Training Hours		
	FY 2023	FY 2024	FY 2025
Management	192	78	38
Executive	1,569	562	1,143
Non-Executive	944	912	1,252

Our employee's benefit adheres to the Employment Act 1955 and extend beyond, including various allowances, medical coverage, and insurance benefits.

Employee turnover can be costly for companies in terms of lost productivity, recruitment and training costs. We regularly monitor employee turnover rates in order to better understand the reasons for turnover in order to develop strategies to retain employees, such as creating a positive work culture and providing opportunities for growth and development.

## LABOUR PRACTICE AND STANDARDS (CONT'D)

By Employee Category	Staff Turnover (Number)		
	FY 2023	FY 2024	FY 2025
Management	2	5	5
Executive	18	30	21
Non-Executive	113	109	140

There were no substantiated complaint concerning human right violation from all levels of employees.

	FY 2023	FY 2024	FY 2025
Number of substantiated complaints concerning human rights violations	–	–	–

We wish to share the Group's utilisation of contractors and temporary staff as part of our human capital management

	FY 2023	FY 2024	FY 2025
Percentage of employees that are contractors or temporary staff	15%	17%	12%

## COMMUNITY & SOCIETY

### Why material to us

As a responsible organisation, we strive to contribute and cared for the communities in which we operate.

### Our approach

The Group has a long-standing relationship with the local communities where we do our business. Our hotels have always cared for and celebrate with the local communities, especially the needy.

It has been a tradition of Avillion Port Dickson and Avillion Admiral Cove in Port Dickson to organise Corporate Social Responsibility (CSR) programmes annually. We continuously encourage our people to get involved in our CSR programmes, to make an impact to the communities around us.

Below are the CSR programmes executed throughout the last 5 financial years:



**22 April 2021**

Hosted a Majlis Berbuka Puasa for 40 children from Rumah Anak-Anak Yatim - Peyakin . The children were also given duit raya and goodie bags.



**19 April 2022**

Hosted a Majlis Berbuka Puasa for 82 children from Rumah Asnaf Murni, Ara Sendayan. The children were also given duit raya and goodie bags.



**21 December 2022**

Christmas Home visit and celebration with 40 children at Shekinah Care Centre Rasah, Seremban. The children were also given goodie bags.

## Sustainability Statement (Cont'd)

### COMMUNITY & SOCIETY (CONT'D)



**13 April 2023**

Hosted a Majlis Berbuka Puasa for 56 children from Rumah Asnaf Murni, Ara Sendayan. The children were also given duit raya and goodie bags.



**14 December 2023**

Christmas Home visit and celebration with 39 children at Shekinah Care Centre Rasah, Seremban. The children were also given goodie bags.



**14 March 2024**

Hosted a Majlis Berbuka Puasa for 30 children from Rumah Anak Yatim Darul Aminan, Ampangan. The children were also given duit raya and goodie bags.

#### CSR investment

	Measurement unit	FY 2023	FY 2024	FY 2025
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	4,000	6,000	–
Total number of beneficiaries of the investment in communities	Number	122	125	–



## GOVERNANCE

### ECONOMIC PERFORMANCE

Economic performance is crucial to achieving sustainable value and advancing our sustainability goals.

During the financial year ended 31 March 2025 (FY 2025), the Group achieved RM58.5 million in revenue. Through the concerted efforts of all levels in the Group, the Group has reduced its losses to RM8.9 million as compared to FY 2022 and FY 2023. The Group's historical summary of financial performance is disclosed in the 5-Year Financial Highlights section of this Annual Report.

Moving forward, we remain committed to optimise our financial performance while advancing ESG objectives.

### SUPPLY CHAIN MANAGEMENT

Avillion is committed to fostering a sustainable supply chain that supports local economy and community development. By engaging local suppliers, we contribute to the economic value and growth of local communities, demonstrating the company's commitment to sustainability development.

Throughout the financial year under review, our hotels supported local suppliers, with 100% of their total spending being on suppliers from within Malaysia.