



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 30 September 2023

## A. NOTES TO THE INTERIM FINANCIAL REPORT

### A1 Basis of Preparation

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

The interim financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 March 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2023.

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 March 2023 under the Malaysian Financial Reporting Standards (MFRSs) framework except for the adoption of the following MFRSs:

#### **Effective for annual period beginning on or after 1 January 2023**

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards*
MFRS 3	Business Combinations*
MFRS 7	Financial Instruments: Disclosures*
MFRS 9	Financial Instruments*
MFRS 15	Revenue from Contracts with Customers*
MFRS 17	Insurance Contracts
MFRS 101	Presentation of Financial Statements*
MFRS 107	Statements of Cash Flows*
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment*
MFRS 119	Employee Benefits*
MFRS 132	Financial Instruments: Presentation*
MFRS 136	Impairment of Assets*
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets*
MFRS 140	Investment Property*

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

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



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 30 September 2023

## **A1 Basis of Preparation (Cont'd)**

### **Effective for annual periods beginning on or after 1 January 2024**

MFRS 16 Leases

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

## **A2 Audit Report of Preceding Annual Financial Statement**

The independent auditors reported the following material uncertainty related to going concern on the audited financial statements for the year ended 31 March 2023:

"As disclosed in Note 2.6 to the financial statements, which disclosed that the Group and the Company reported a net loss of RM5.402 million and RM4.840 million respectively during the financial year ended 31 March 2023 thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter".

## **A3 Seasonal or Cyclical Factors**

The Group is principally engaged in the following business operations:

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

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

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

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

## **A5 Accounting Estimates**

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



**AVILLION**

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 30 September 2023

**A6 Issuance or Repayment of Debt and Equity Securities**

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

**A7 Dividend Paid**

There were no dividends paid during the year under review.

**A8 Segmental Reporting**

**a) Revenue**

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30.09.2023 (RM'000)	Preceding Quarter Ended 30.09.2022 (RM'000)	Current Year Ended 30.09.2023 (RM'000)	Preceding Year Ended 30.09.2022 (RM'000)
<b>Continuing Operations</b>				
Hotel	10,076	10,195	18,037	18,252
Property	2,751	2,727	7,963	5,692
Travel	7,003	3,339	10,800	5,385
<b>Grand Total</b>	<b>19,830</b>	<b>16,261</b>	<b>36,800</b>	<b>29,329</b>

**b) Profit / (loss) before tax**

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30.09.2023 (RM'000)	Preceding Quarter Ended 30.09.2022 (RM'000)	Current Year Ended 30.09.2023 (RM'000)	Preceding Year Ended 30.09.2022 (RM'000)
<b>Continuing Operations</b>				
Hotel	1,035	1,439	652	1,585
Property	(25)	(748)	(832)	(861)
Travel	492	217	568	120
Holding company & others	(1,732)	(1,470)	(3,475)	(3,089)
<b>Grand Total</b>	<b>(230)</b>	<b>(562)</b>	<b>(3,087)</b>	<b>(2,245)</b>

**A9 Material Subsequent Events**

There were no material events subsequent to the current financial period ended 30 September 2023 and up to the date of this report.

**A10 Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial period ended 30 September 2023 and up to the date of this report.



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 30 September 2023

## A11 Significant related party transactions

There were no significant related party transactions for the current financial period ended 30 September 2023 and up to the date of this report.

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

### B1 Review of Performance of the Company and its Principal Subsidiaries

	3 months ended		Changes	
	Current year quarter ended 30.09.2023 (RM'000)	Preceding year quarter ended 30.09.2022 (RM'000)	(RM'000)	%
Revenue	19,830	16,261	3,569	22%
EBITDA	3,889	3,280	609	19%
Loss before taxation	(230)	(562)	332	59%

The Group reported revenue, Earnings before interest, tax, depreciation and amortisation ("EBITDA") and loss before taxation of RM19.83 million, RM3.89 million and RM0.23 million respectively for the current financial quarter under review. This represents an increase in revenue of 22% against the corresponding financial quarter where revenue amounted to RM16.26 million.

While Hotel and Property Division revenue are consistent with Preceding year same quarter, Travel division has recorded an increase of 110% in revenue mainly due to higher business volume from the Meeting, Incentive, Convention and Exhibition (MICE) Group.

The EBITDA of the Group for the current quarter was RM3.89 million compared with previous year's corresponding quarter of RM3.28 million. The improvement was mainly due to:

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



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 30 September 2023

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

	3 months ended		Changes	
	Current quarter ended 30.09.2023 (RM'000)	Preceding quarter ended 30.06.2023 (RM'000)	(RM'000)	%
Revenue	19,830	16,970	2,860	17%
EBITDA	3,889	1,220	2,669	219%
Loss before taxation	(230)	(2,857)	2,627	92%

Revenue of the Group for the current quarter recorded at RM19.83 million, an increase of 17% compared to the preceding quarter of RM16.97 million. The increase in revenue was mainly due to higher business volume from the Hotel and Travel Division which recorded an increase of 27% and 84% respectively.

The EBITDA of the Group was 219% higher than the preceding quarter. The improvement was mainly due to:

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

## B3 Variance from Profit Forecast

Not applicable.

## B4 Commentary on Prospect

While economic conditions remain uncertain and volatile, the overall growth outlook for the Group is encouraging. The Group remains focused on driving operational efficiencies and effective cost management and will continue to improve its performance through the provision of niche, competitive and innovative services, and products.

The Group continues to be cautiously optimistic of the near-term outlook of the leisure and hospitality industry and remains positive in the longer-term. We will continue to source for new income streams to ensure long term sustainability of the group

We are confident there will be greater visibility in the near future barring any unforeseen circumstances.



**AVILLION**

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 30 September 2023

**B5 Profit / (loss) before tax**

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

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30.09.2023 (RM'000)	Preceding Quarter Ended 30.09.2022 (RM'000)	Current Year Ended 30.09.2023 (RM'000)	Preceding Year Ended 30.09.2022 (RM'000)
Interest income	(27)	(1)	(66)	(2)
Rental income	(22)	(17)	(43)	(33)
COVID-19 fund from government	(9)	(4)	(23)	(15)
Reversal of Liquidated Ascertained Damages	(585)	0	(585)	0
COVID-19 related rent concessions income	0	(13)	0	(13)
Impairment loss on trade receivables	0	100	0	100

**B6 Taxation**

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30.09.2023 (RM'000)	Preceding Quarter Ended 30.09.2022 (RM'000)	Current Year Ended 30.09.2023 (RM'000)	Preceding Year Ended 30.09.2022 (RM'000)
a) Income Tax				
i) Current year	64	75	93	163
ii) Underprovision in prior year	0	0	0	4
<b>Total</b>	<b>64</b>	<b>75</b>	<b>93</b>	<b>167</b>

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



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Quarter Ended 30 September 2023

## B7 Status of Corporate proposals

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

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

The status of utilization of proceeds raised from the abovementioned Placement Shares as at 30 September 2023 were as follows:

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



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report For The Quarter Ended 30 September 2023

## B8 Group Borrowings

### a) Banking Facilities

	As at 30.09.2023			As at 30.09.2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
a) Short term borrowings						
i. Overdraft	18,970	-	18,970	16,443	1,443	17,886
ii. Revolving Credit	7,350	-	7,350	9,250	-	9,250
iii. Long term loans repayable within 12 months	5,900	-	5,900	5,250	-	5,250
iv. Lease Liabilities / Hire purchase payable repayable within 12 months	1,819	-	1,819	1,342	-	1,342
v. Total	<u>34,039</u>	<u>0</u>	<u>34,039</u>	<u>32,285</u>	<u>1,443</u>	<u>33,728</u>
b) Long term borrowings						
i. Long term loans	55,235	-	55,235	59,541	-	59,541
<b>Less</b> portion payable within 12 months	<u>(5,900)</u>	<u>-</u>	<u>(5,900)</u>	<u>(5,250)</u>	<u>-</u>	<u>(5,250)</u>
	<u>49,335</u>	<u>0</u>	<u>49,335</u>	<u>54,291</u>	<u>0</u>	<u>54,291</u>
ii. Lease Liabilities / Hire purchase payable	5,755	-	5,755	1,633	-	1,633
<b>Less</b> portion payable within 12 months	<u>(1,819)</u>	<u>-</u>	<u>(1,819)</u>	<u>(1,342)</u>	<u>-</u>	<u>(1,342)</u>
	<u>3,936</u>	<u>0</u>	<u>3,936</u>	<u>291</u>	<u>0</u>	<u>291</u>
iii. Total	53,271	0	53,271	54,582	0	54,582
c) Total borrowings	87,310	0	87,310	86,867	1,443	88,310

- b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 30 September 2023 was RM0.551 million (HKD0.919 million) and as at 30 September 2022 was RM0.359 million (HKD0.608 million).





**AVILLION**

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report For The Quarter Ended 30 September 2023

**B9 Derivative Financial Instruments**

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

**B10 Material Litigation**

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

**B11 Losses Per Share**

**a) Basic**

Basic losses per share is calculated by dividing the net loss attributable to the shareholders for the current financial period ended 30 September 2023 as follows:

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30.09.2023 (RM'000)	Preceding Quarter Ended 30.09.2022 (RM'000)	Current Year Ended 30.09.2023 (RM'000)	Preceding Year Ended 30.09.2022 (RM'000)
<b>Net loss attributable to Equity holders of the Parent (RM'000)</b>	(259)	(573)	(3,006)	(2,373)
<b>Basic ('000)</b>				
<b>Total Weighted average number of ordinary shares</b>	<b>1,133,288</b>	<b>1,133,288</b>	<b>1,133,288</b>	<b>1,133,288</b>
<b>Basic losses per share(sen)</b>	(0.02)	(0.05)	(0.27)	(0.21)

**b) Diluted**

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue as at the end of the current financial period ended 30 September 2023.

**B12 Authorisation for Issue**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 November 2023.