



AVILLION

BERHAD

Registration No. 199201013018 (244521-A)

Interim Financial Report for The Year Ended 31 March 2024

## A. NOTES TO THE INTERIM FINANCIAL REPORT

### A1 Basis of Preparation

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

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

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

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

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

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

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



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

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

MFRS 16      Leases

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

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

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

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

## **A3 Seasonal or Cyclical Factors**

The Group is principally engaged in the following business operations:

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

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

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

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

## **A5 Accounting Estimates**

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



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

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

**A7 Dividend Paid**

There were no dividends paid during the year under review.

**A8 Segmental Reporting**

**a) Revenue**

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31.03.2024 (RM'000)	Preceding Quarter Ended 31.03.2023 (RM'000)	Current Year Ended 31.03.2024 (RM'000)	Preceding Year Ended 31.03.2023 (RM'000)
<b>Continuing Operations</b>				
Hotel	8,333	8,998	37,852	38,909
Property	3,177	3,766	14,900	13,606
Travel	4,454	5,457	20,075	14,138
<b>Grand Total</b>	<b>15,964</b>	<b>18,221</b>	<b>72,827</b>	<b>66,653</b>

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

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31.03.2024 (RM'000)	Preceding Quarter Ended 31.03.2023 (RM'000)	Current Quarter Ended 31.03.2024 (RM'000)	Preceding Year Ended 31.03.2023 (RM'000)
<b>Continuing Operations</b>				
Hotel	(3,016)	283	(301)	4,126
Property	(557)	(2,511)	(1,156)	(3,413)
Travel	358	(745)	1,227	(347)
Holding company & others	(326)	(801)	(5,422)	(5,660)
<b>Grand Total</b>	<b>(3,541)</b>	<b>(3,774)</b>	<b>(5,652)</b>	<b>(5,294)</b>

**A9 Material Subsequent Events**

There were no material events subsequent to the current financial year ended 31 March 2024 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 year ended 31 March 2024 and up to the date of this report.



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## A11 Significant related party transactions

There were no significant related party transactions for the current financial year ended 31 March 2024 and up to the date of this report.

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

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

	3 months ended		Changes	
	Current year quarter ended 31.03.2024 (RM'000)	Preceding year quarter ended 31.03.2023 (RM'000)	(RM'000)	%
Revenue	15,964	18,221	(2,257)	(12%)
Earnings before interest, tax, depreciation, and amortization "EBITDA"	537	139	398	286%
Profit before taxation	(3,541)	(3,774)	233	6%

The Group reported revenue, EBITDA and loss before taxation of RM15.96 million, RM0.54 million and RM3.54 million respectively for the current financial quarter under review.

The revenue for the Hotel, Property and Travel division have reduced by 7%, 16% and 18% respectively.

The EBITDA of the Group for the current quarter was RM0.54 million compared with previous year's corresponding quarter of RM0.14 million. The improvement was mainly due to lower cost of operation for the Property Division.



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

	3 months ended		Changes	
	Current quarter ended 31.03.2024 (RM'000)	Preceding quarter ended 31.12.2023 (RM'000)	(RM'000)	%
Revenue	15,964	20,063	(4,099)	20%
EBITDA	537	5,077	(4,540)	(89%)
Profit / (Loss) before taxation	(3,541)	976	(4,517)	(463%)

Revenue of the Group for the current quarter recorded at RM15.96 million, a decrease of 20% compared to the preceding quarter of RM20.06 million. The revenue for the Hotel, Property and Travel division have reduced by 27%, 16% and 8% respectively.

The EBITDA of the Group reduced by 89% compared with the preceding quarter. The reduction was mainly due to lower revenue in the 4<sup>th</sup> quarter due to seasonality in which 3<sup>rd</sup> quarter is traditionally a stronger quarter.

## B3 Variance from Profit Forecast

Not applicable.

## B4 Commentary on Prospect

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



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## B5 Loss before tax

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

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31.03.2024 (RM'000)	Preceding Quarter Ended 31.03.2023 (RM'000)	Current Quarter Ended 31.03.2024 (RM'000)	Preceding Quarter Ended 31.03.2023 (RM'000)
Interest income	(6)	(27)	(84)	(32)
Rental income	(19)	(16)	(84)	(66)
COVID-19 fund from government	0	(203)	(31)	(232)
COVID-19 related rent concessions income	0	(100)	0	(113)
Gain on disposal of property, plant & equipment & investment properties	0	(59)	0	(59)
Written off on property, plant & Equipment	1	3	1	3
Written off on trade & other receivables	0	14	0	14
Impairment loss on trade receivables	0	0	0	104

## B6 Taxation

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31.03.2024 (RM'000)	Preceding Quarter Ended 31.03.2023 (RM'000)	Current Quarter Ended 31.03.2024 (RM'000)	Preceding Quarter Ended 31.03.2023 (RM'000)
a) Income Tax				
i) Current year	1,318	1,699	1,498	1,931
ii) (Over) / under provision in prior year	(4)	(275)	(17)	(271)
b) Deferred tax				
i) Current year	(1,298)	(1,501)	(1,298)	(1,501)
ii) Overprovision in prior year	(141)	(51)	(141)	(51)
<b>Total</b>	<b>(125)</b>	<b>(128)</b>	<b>42</b>	<b>108</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.



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**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 31 March 2024 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	2,123	3,288	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>19,378</b>	<b>3,288</b>	



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## B8 Group Borrowings

### a) Banking Facilities

	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
	<b>Secured</b>	<b>Secured</b>
	(RM'000)	(RM'000)
a) Short term borrowings		
i. Overdraft	19,432	24,168
ii. Revolving Credit	6,300	8,400
iii. Long term loans repayable within 12 months	8,700	4,800
iv. Lease Liabilities / Hire purchase payable repayable within 12 months	2,165	455
v. Total	<u>36,597</u>	<u>37,823</u>
b) Long term borrowings		
i. Long term loans	52,817	57,291
<b>Less</b> portion payable within 12 months	<u>(8,700)</u>	<u>(4,800)</u>
	<u>44,117</u>	<u>52,491</u>
ii. Lease Liabilities / Hire purchase payable	4,979	632
<b>Less</b> portion payable within 12 months	<u>(2,165)</u>	<u>(455)</u>
	<u>2,814</u>	<u>177</u>
iii. Total	46,931	52,668
c) Total borrowings	83,528	90,491

- b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 31 March 2024 was RM0.514 million (HKD0.851 million) and as at 31 March 2023 was RM0.5 million (HKD0.889 million).

## B9 Derivative Financial Instruments

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

## B10 Material Litigation

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





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## **B11 Loss Per Share**

### **a) Basic**

Basic loss per share is calculated by dividing the net loss attributable to the shareholders for the current financial year ended 31 March 2024 as follows:

	<b>Individual Quarter</b>		<b>Cumulative Year</b>	
	<b>Current Quarter Ended 31.03.2024 (RM'000)</b>	<b>Preceding Quarter Ended 31.03.2023 (RM'000)</b>	<b>Current Quarter Ended 31.03.2024 (RM'000)</b>	<b>Preceding Quarter Ended 31.03.2023 (RM'000)</b>
<b>Net loss attributable to Equity holders of the Parent (RM'000)</b>	(3,771)	(3,045)	(5,899)	(4,762)
<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 loss per share(sen)</b>	(0.33)	(0.27)	(0.52)	(0.42)

### **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 year ended 31 March 2024.

## **B12 Change in comparative figures**

During the financial year, the Group made retrospective adjustments to adjust the foreign translation reserves and accumulated losses of its foreign operations for the financial years ended 31 March 2023 and 1 April 2022.

## **B13 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 29 May 2024.