AVILLION
BERHAD

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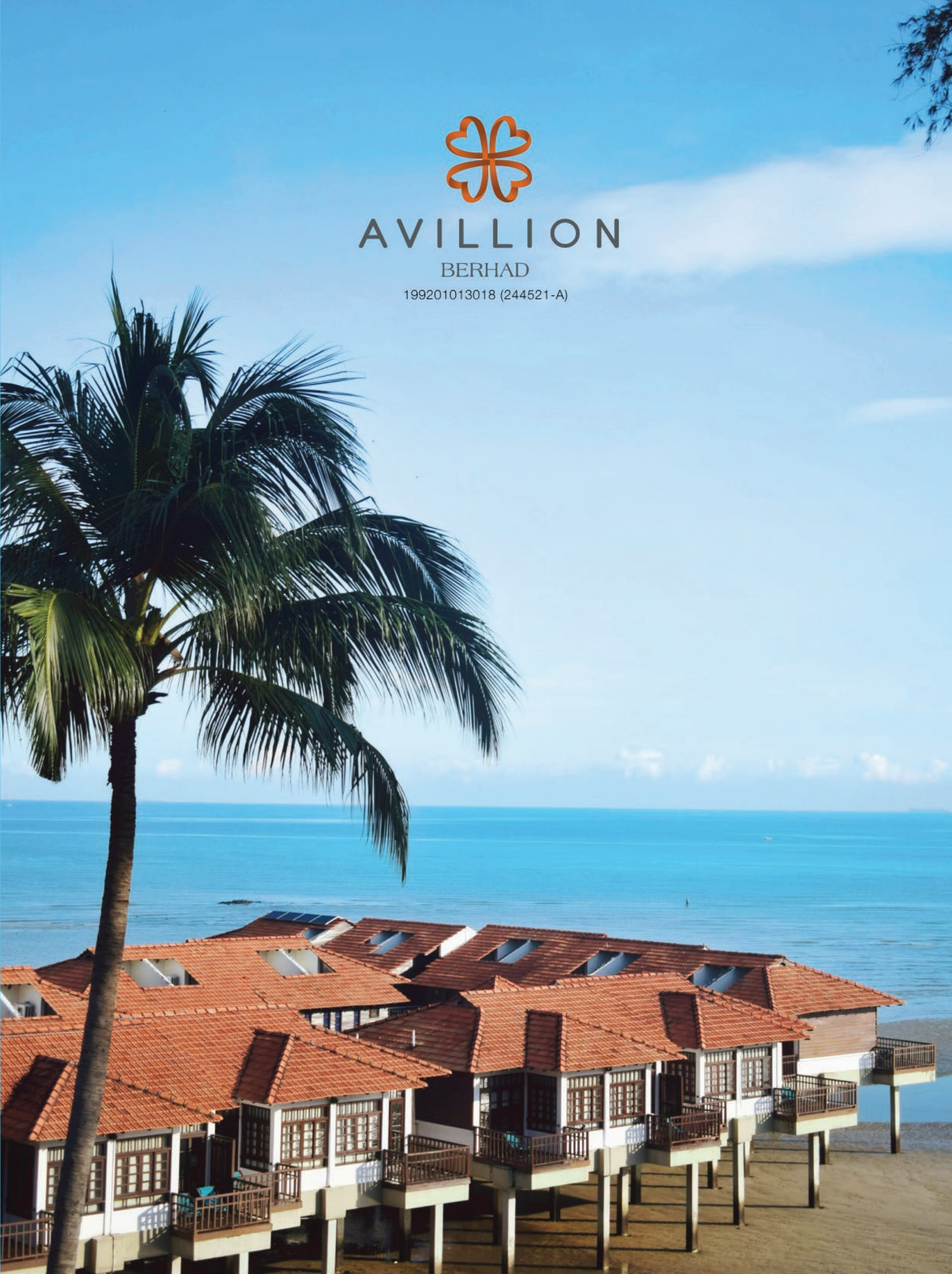


ANNUAL REPORT 2026

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

i. Design, develop and manage tranquil, eco-conscious resorts, hotels, and properties that inspire creativity and beauty.

ii. Cherish and safeguard our natural resources – sea, land and trees – as they are our guardians in return.

iii. Continuously evolve and elevate our skills to exceed the expectations of our customers, offering experiences that surpass their wildest dreams.

iv Leverage data and technology to optimise our services and delivery.

v. Nurture our team, recognising that their well-being is paramount to our success.

vi. Pay attention to the smallest details, knowing that they yield significant rewards in the end.

CONTENTS

CORPORATE INFORMATION

Board of Directors

Datuk Lim Chai Hock
(Chairman, Non-Independent Non-Executive Director)

Yeo Tek Ling
(Managing Director / Chief Executive Officer)

Lim Bay Gie
(Non-Independent Non-Executive Director)

Lee En Dian
(Alternate Director to Lim Bay Gie)

Dato' Seri Jamil Bin Bidin
(Independent Non-Executive Director)

Datin Norizan Binti Idris
(Independent Non-Executive Director)

Ho Soo Woon
(Independent Non-Executive Director)

Tan Chee Wan
(Independent Non-Executive Director)

Datuk Dr. Yacob Bin Mustafa
(Independent Non-Executive Director)

Audit Committee

Ho Soo Woon (Chairman)
Datin Norizan Binti Idris
Tan Chee Wan

Nomination Committee

Datin Norizan Binti Idris (Chairman)
Ho Soo Woon

Remuneration Committee

Ho Soo Woon (Chairman)
Datin Norizan Binti Idris

Company Secretaries

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

Thong Pui Yee
MAICSA No. 7067416
(SSM PC No. 202008000510)

Registered Office

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

Tel: 03-2262 0100
Fax: 03-2262 0293

Email: info@avillionberhad.com

Share Registrars

ShareWorks Sdn Bhd
199101019611 (229948-U)

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

Tel: 03-6201 1120
Fax: 03-6201 3121

Email: ir@shareworks.com.my

Principal Bankers

RHB Bank Berhad
Malayan Banking Berhad
CIMB Bank Berhad

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

Stock Exchange Listing

Main Market
Bursa Malaysia Securities Berhad

Stock Name: AVI
Stock Code: 8885

AVILLION PORT DICKSON
AWARDS

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

AVI SPA AWARDS

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

AVILLION ADMIRAL COVE AWARD

2018

MAH Hotel Management Grand Prix Awards 2018
Second Runner-Up Prize

AVILLION
BERHAD

GROUP STRUCTURE

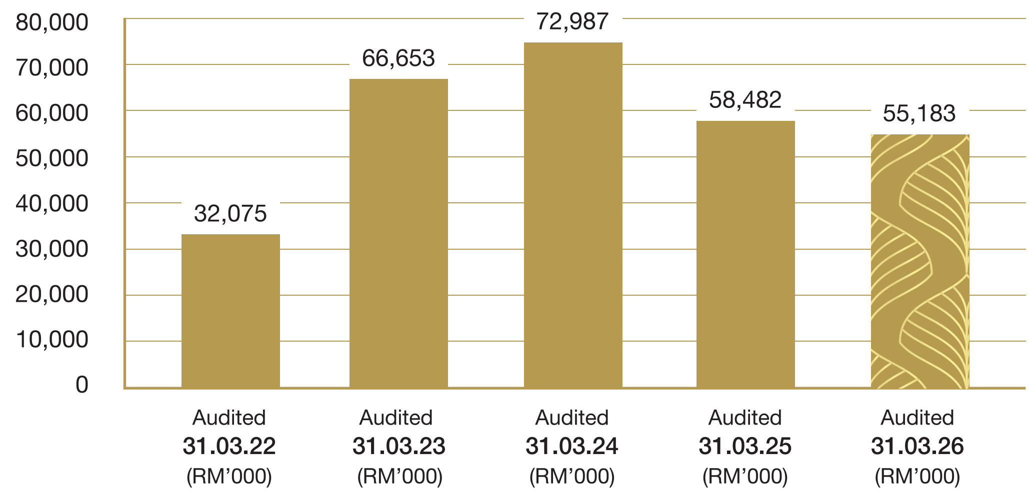
AS OF 31 MARCH 2026

- **Hotel Division**
  - Avillion Hotel Group Sdn Bhd
    - Avillion Hotels International Sdn Bhd
    - Avi Spa Sdn Bhd
    - Avillion Suite Hotel (PD) Sdn Bhd
    - Avillion Vista Hotel Sdn Bhd
    - Avillion Hotel (KL) Sdn Bhd
    - PT Avillion Indonesia
  - Fortune Valley Sdn Bhd
- **Property Division**
  - RPB Development Sdn Bhd
    - Admiral Cove Development Sdn Bhd
      - Admiral Marina Berhad
      - Genius Field Sdn Bhd
    - Admiral Hill Hotel Sdn Bhd
    - Meridian Haven Sdn Bhd
      - Golden Envoy (M) Sdn Bhd
    - Mela Lifestyle Sdn Bhd
    - Nesline Sdn Bhd
      - Taman Unik Sdn Bhd
    - Festive Place Sdn Bhd
      - Vast Access Sdn Bhd
- **Travel Division**
  - RPB Holdings (Overseas) Ltd
    - Reliance Travel Agencies (S) Pte Ltd, Singapore
    - Vacation Singapore DMC Pte Ltd, Singapore
    - Reliance Travel (Hong Kong) Limited, Hong Kong
    - Vacation Asia (HK) Limited, Hong Kong
  - Reliance E-Com Sdn Bhd
    - Reliance Shipping & Travel Agencies (Perak) Sdn Bhd
- **Support Companies**
  - RPB Capital Holdings Sdn Bhd
    - OS Resources Sdn Bhd
    - Avi Agro Sdn Bhd

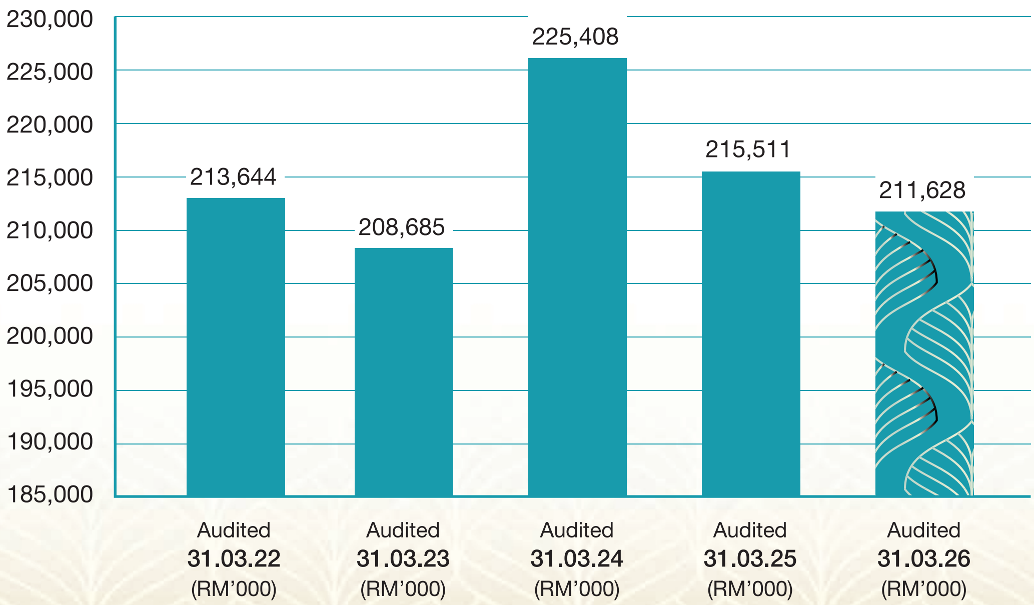
GROUP FIVE-YEAR
FINANCIAL HIGHLIGHTS

	Audited **31.03.22** (RM'000)	Audited **31.03.23** (RM'000)	Audited **31.03.24** (RM'000)	Audited **31.03.25** (RM'000)	Audited **31.03.26** (RM'000)
Revenue	32,075	66,653	72,987	58,482	55,183
Net Assets	213,644	208,685	225,408	215,511	211,628

Revenue



Net Assets



CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors of Avillion Berhad, I am pleased to present the Annual Report and audited financial statements of the Group for the financial year ended 31 March 2026.

The financial year under review marked a transitional period for the Group, characterised by strategic recalibration, operational resilience, and decisive action to strengthen our long-term fundamentals. Having assumed the role of Non-Independent Non-Executive Chairman on 12 September 2025, I have worked closely with the Board and management to undertake a review of the Group's businesses, capital structure, and strategic priorities. With this review, we strive to provide a clear and actionable roadmap that will guide the Group's transformation and position it for sustainable recovery, disciplined growth, and long-term value creation for our shareholders.

FINANCIAL PERFORMANCE OVERVIEW

For the financial year ended 31 March 2026, the Group recorded a loss after tax of RM14.9 million, compared to a loss of RM8.8 million in the preceding financial year. The Group's financial performance was significantly affected by a one-off impairment charge of RM4.9 million arising from structural damage to pontoon assets caused by Typhoon Senyar. Excluding this exceptional, non-recurring impairment, the Group's underlying operational performance improved, with its operating loss narrowing by RM2.1 million year-on-year, underscoring the fundamental resilience of our core business operations during the financial year.

Group revenue for the financial year ended 31 March 2026 stood at RM55.2 million compared with RM58.5 million in the preceding financial year. The marginal decline in overall Group revenue was primarily attributable to lower contributions from the hotel and travel division, which experienced softer demand and intensified competition. However, the decline was partially offset by an improved performance from the property division, which recorded modest revenue growth from ongoing business.

On the balance sheet front, a key milestone during the year was the successful completion of a private placement exercise, which raised RM11.3 million in new equity. The proceeds from this placement have strengthened our working capital position and enhanced our financial flexibility, providing the Group with greater capacity to support ongoing operations and facilitate the implementation of its strategic initiatives.

STRATEGIC PRIORITIES AND PROGRESS

The Board has identified three core strategic pillars that will underpin the Group's recovery, strengthen its operational performance, and support its long-term sustainable growth:-

1. Enhancing Our Core Hospitality Assets

Our flagship property, Avillion Port Dickson Resort, remains the cornerstone of the Group's hospitality portfolio. A phased refurbishment programme is currently underway, aimed at modernising the resort's facilities, enhancing operational efficiency, and elevating the overall guest experience. Upon completion, the Board expects the upgraded resort to strengthen its market positioning, improve occupancy and average room rates, and enhance the property's long-term earnings potential, thereby contributing positively to the Group's financial performance.

2. Rationalising Non-Core Assets

The Board is actively reviewing opportunities to rationalise selected non-core, low-yielding and non-strategic properties within the Group's portfolio. This strategic initiative is intended to unlock embedded capital value of these properties, optimise the Group's asset base, and improve capital efficiency. Subject to prevailing market conditions, any proceeds from such disposals shall be redeployed towards strengthening the Group's balance sheet, supporting strategic investments, and funding higher-return business opportunities that are aligned with the Group's long-term growth objectives.

3. **Strengthening the Financial Position**

   Strengthening the Group's financial position and maintaining adequate liquidity remain top priorities of the Board. Management continues to engage proactively with financial institutions to secure and optimise banking facilities. In parallel, the Board is evaluating various capital management initiatives to bolster the Group's capital structure and provide the necessary resources to support the execution of its long-term strategic plans. The Board is confident that these combined efforts are expected to enhance the Group's capital structure, improve financial flexibility, and provide a stronger foundation for sustainable growth.

BOARD COMPOSITION AND GOVERNANCE

During the financial year under review, the Board underwent a number of significant changes, with the appointment of several new directors who bring with them diverse range of relevant expertise across corporate restructuring, and capital markets. These appointments form part of our broader commitment to strengthening the Board's composition, enhancing the breadth of skills and perspectives, and upholding high standards of corporate governance. The Board is confident that the renewed composition will provide strong stewardship and sound oversight as we navigate the Group through its turnaround phase.

On behalf of the Board, I would also like to extend our appreciation to the outgoing directors for their valuable contributions during their tenure.

OUTLOOK FOR THE FINANCIAL YEAR ENDING 31 MARCH 2027

Looking ahead, the Board's priorities for the forthcoming financial year remain clear and focused on strengthening the Group's operational and financial position which shall include but not limited to:

- Accelerating the refurbishment programme and commercial performance of our hospitality assets;
- Optimising the Group's capital structure through the reduction of borrowings and finance costs; and
- Securing appropriate funding to support working capital and the execution of the Group's strategic growth initiatives.

While the operating environment remains challenging, the Board believes that the strategic measures already set in motion, combined with the dedication of our management team, provide a sound foundation for the Group's continued recovery and position the Group well to navigate near-term headwinds and emerge stronger over the medium term.

ACKNOWLEDGEMENTS

On behalf of the Board, I extend our sincere appreciation and deepest gratitude to our management and employees for their resilience, commitment, and hard work throughout the year. Their professionalism and collective efforts have been instrumental in supporting the Group's ongoing transformation initiatives. I also wish to thank our shareholders, business partners, and financial institutions for their continued trust and unwavering support during this period of transition. Your confidence in the Group has been invaluable, and we are deeply grateful for the encouragement and partnership you have extended to us as we implement our strategic turnaround initiatives.

As we look ahead, the Board is confident that the measures undertaken over the past year have established a stronger platform for the Group's recovery and future growth. While challenges remain, we believe the Group is better positioned today than it has been in recent years to capitalise on new opportunities and deliver improved performance.

The Board remains committed to acting in the best interests of all stakeholders and executing the Group's strategic priorities and plans with discipline, prudence and accountability. Together with the continued support of our shareholders, financiers, business partners, and dedicated employees, we look forward with confidence to building a stronger, more resilient Group and to deliver sustainable long-term value for all our stakeholders.

DATUK LIM CHAI HOCK
Chairman
30 July 2026

AVILLION
BERHAD

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

1.0 OVERVIEW AND STRATEGIC HIGHLIGHTS

1.1 About Avillion Berhad

Avillion Berhad ("Avillion" or "the Group") is a public company listed on the Main Market of Bursa Malaysia, with a diversified portfolio spanning three core divisions: Hotel and Resort Management, Property Development, and Travel Services. The Group is focused on enhancing operational performance, strengthening its balance sheet, and creating sustainable long-term value for its stakeholders.

1.2 Key Strategic Actions in FY2026

During the financial year ended 31 March 2026 ("FY2026"), the Group took decisive steps to fortify its financial position and revitalise its core business:

- **Strengthened Financial Foundation:**

  The Group successfully raised RM11.3 million through a private placement of 283 million new shares. Of this, RM3.82 million has been allocated to working capital to support day-to-day operations and strategic initiatives.

- **Investing in Core Assets:**

  A commitment of RM4.0 million was made for the initial phase of a comprehensive refurbishment and enhancement programme at Avillion Port Dickson, a key flagship asset.

- **Active Balance Sheet Management:**

  The Group made significant progress in reducing its financial liabilities, with total borrowings decreasing by 12.9% to RM67.4 million through scheduled repayments.

- **Strengthened Governance:**

  During the year, the Board was revitalised with the appointment of five new directors, bringing fresh perspectives and expertise to guide the Group through its transition.

2.0 FINANCIAL PERFORMANCE REVIEW

2.1 Consolidated Financial Results

Financial Year 2026 was a year of transition and strategic investment, characterised by a challenging operating environment that impacted both top-line revenue and profitability. Despite these headwinds, the Group demonstrated resilience in its underlying operational cash flow generation.

Metric	FY2026 (RM'000)	FY2025 (RM'000)	Change	Comments
Revenue	55,183	58,482	(5.6%)	Decline driven by softer performance in Hotel and Travel segments.
Gross Profit	27,110	31,108	(12.9%)	Margin compression due to higher operational costs despite the revenue drop.
Gross Margin	49.1%	53.2%		
Loss After Tax	(14,883)	(8,840)	(68.4%)	
Loss Attributable to Owners	(13,777)	(6,708)	(105.4%)	

The net loss of RM14.9 million includes a significant, one-off, non-cash impairment charge of RM4.9 million. This relates to pontoon structures damaged by Typhoon Senyar at a marina operation.

Excluding this one-off item:

- The underlying operating loss was RM5.5 million
- This represents an RM2.1 million (61.4%) increase from FY2025's operating loss of RM3.4 million
- The impairment charge accounts for approximately 48% of the total reported operating loss

2.2 Statement of Financial Position

The Group's balance sheet has been strengthened through active debt reduction and the capital raising exercise.

Metric	31 Mar 2026 (RM'000)	31 Mar 2025 (RM'000)	Change	Comments
Total Assets	346,769	361,115	(4.0%)	Largely due to the impairment of the pontoon assets.
Total Borrowings	67,412	77,385	12.9%	Positive trend: Significant reduction through repayments.
Total Liabilities	135,141	145,604	7.2%	
Shareholders' Equity	211,460	214,237	(1.3%)	Stable, supported by the RM11.3 million raised via private placement.

2.3 Cash Flow and Liquidity

Operating cash flow is the cornerstone of financial health, and the Group's performance in this area is noteworthy.

Metric	FY2026 (RM'000)	FY2025 (RM'000)	Comments
Operating Cash Flow	5,119	4,291	Improved by 19.3%. Demonstrates the underlying cash-generating capability of core operations.
Investing Cash Flow	(1,568)	(1,104)	Higher capex for the refurbishment programme.
Financing Cash Flow	453	(5,855)	Positive swing due to proceeds from the private placement.
Net Change in Cash	4,004	(2,668)	
Cash & Cash Equivalents (End)	(13,232)	(17,172)	Improved by RM3.94 million. The negative position remains, but the improvement is a key positive indicator.

2.4 Key Financial Ratios

Ratio	FY2026	FY2025	Comments
Current Ratio	1.04x	1.21x	Remains near the 1.0x mark, indicating sufficient current assets to cover short-term liabilities.
Debt-to-Equity	0.64x	0.68x	Improved. A healthier ratio following the reduction in borrowings.

Note on Debt-to-Equity Ratio: The debt-to-equity ratio is calculated as total borrowings divided by shareholders' equity. The improvement from 0.68x to 0.64x reflects the Group's disciplined debt reduction efforts during FY2026.

3.0 SEGMENTAL PERFORMANCE ANALYSIS

3.1 Hotel Division

The Hotel Division remains the Group's largest revenue contributor, accounting for 57% of total revenue in FY2026.

Metric	FY2026 (RM'000)	FY2025 (RM'000)	Change
Revenue	31,482	33,011	(4.6%)
Loss Before Tax	(3,874)	(2,358)	(64.3%)

The division faced a challenging year with revenue softening due to market pressures and competitive intensity. The higher loss was driven by the impairment charge on the marina pontoon. Key assets include Avillion Port Dickson and Avillion Admiral Cove.

3.2 Property Division

Metric	FY2026 (RM'000)	FY2025 (RM'000)	Change
Revenue	13,074	12,564	4.1%
Loss Before Tax	(5,842)	42	(14,009.5%)

Revenue saw modest growth from ongoing projects. The significant swing to a loss was primarily due to lower gross profit and higher operating costs. The division's primary focus is on monetising its substantial inventory to strengthen the Group's cash position.

3.3 Travel Operations

Metric	FY2026 (RM'000)	FY2025 (RM'000)	Change
Revenue	10,627	12,907	(17.7%)
Loss Before Tax	(420)	161	(360.9%)

The travel segment experienced a significant revenue decline due to subdued outbound travel demand and intense competition. Operations are concentrated in Hong Kong. The division is focused on adapting its business model and leveraging its digital presence to capture growth as the travel industry recovers.

4.0 FUTURE PROSPECTS AND STRATEGIC PRIORITIES

The Board is cautiously optimistic about the outlook for FY2027. Management has a clear and actionable plan to navigate the current challenges and deliver sustainable long-term value.

4.1 Hotel Division: A Strategic Revitalisation

The Group is investing in its core hospitality assets to drive future growth. The refurbishment programme at Avillion Port Dickson is a key pillar of this strategy.

- **Asset Enhancement:**

  The initial RM4.0 million phase focuses on upgrading hotel rooms, the restaurant, and pool facilities. This is expected to enhance the resort's competitiveness, drive higher occupancy rates, and improve average room revenue upon completion.

- **Commercial Strategy:**

  The Group will intensify marketing efforts, strengthen its digital presence, and develop innovative packages to attract a broader demographic.

- **Market Outlook:**

  The gradual recovery in international tourist arrivals and sustained domestic tourism demand are expected to support revenue growth.

- **Cost Discipline:**

  Operational efficiency and cost management initiatives will remain a priority to protect margins.

4.2 Property Division: Monetisation and Focus

The primary focus for the Property Division in FY2027 will be on unlocking capital from its existing inventory.

- **Aggressive Monetisation:**

  Intensifying sales and marketing efforts for completed and ongoing development projects to convert inventory into cash.

- **Asset Disposal:**

  Actively exploring the disposal of low-yielding and non-strategic land parcels. This will generate cash proceeds, reduce ongoing holding costs, and further streamline the balance sheet.

4.3 Travel Division: Adaptation and Agility

The Travel Division will focus on adapting to evolving consumer preferences and navigating an increasingly competitive market landscape.

- **Digital Transformation:**

  Strengthening its digital and online presence to capture customers efficiently.

- **Niche Development:**

  Developing niche travel products to differentiate itself from competitors.

- **Strategic Partnerships:**

  Forging strategic partnerships with airlines and hotels to enhance its product offering and value proposition.

- **Cost Optimisation:**

  Maintaining a tight control on costs and focusing on operational efficiency.

5.0 FINANCIAL OUTLOOK AND GOING CONCERN

The Group is acutely aware of the challenges highlighted by the net loss and negative cash position. However, the underlying improvements in operational performance are encouraging.

- **Underlying Performance:** Excluding the one-off RM4.9 million impairment, the adjusted operating loss was RM5.5 million, compared to RM3.4 million in FY2025. While the underlying loss increased by RM2.1 million, the Group's core operations demonstrated resilience amidst challenging market conditions.

- **Strengthened Cash Flow:** Operating cash flow improved to RM5.1 million, demonstrating that the core business can generate cash.

- **Proactive Financial Management:** The Group is pursuing a multi-pronged strategy to solidify its financial position:

  1. **Fundraising:** The Company will carry out further fundraising exercises to raise additional working capital and strengthen its equity base.

  2. **Asset Disposal:** As noted above, the monetisation of non-core assets is expected to be a key source of liquidity.

  3. **Banking Partnerships:** The Company is in active discussions with financial partners to ensure the continuity and extension of existing banking facilities.

The Board is confident that with the right strategy, strong governance, and a committed team, the Group has a clear path towards financial stability. The preparation of the financial statements on a going concern basis remains appropriate.

6.0 CONCLUSION

FY2026 was a year of significant transition, defined by strategic investment, proactive balance sheet management, and navigating a challenging operational landscape. The Group reported an operating loss of RM10.4 million, which was heavily impacted by a non-recurring RM4.9 million impairment charge on the pontoon structure damaged by Typhoon Senyar.

Excluding this one-off item:

- The underlying operating loss was RM5.5 million
- This represents an RM2.1 million (61.4%) increase from FY2025's operating loss of RM3.4 million
- The impairment charge accounts for approximately 47% of the total reported operating loss

Key Achievements of FY2026:

- Successfully raised RM11.3 million to strengthen the equity base.
- Achieved a 12.9% reduction in total borrowings (from RM77.4 million to RM67.4 million).
- Generated improved operating cash flow of RM5.1 million (from RM4.3 million in FY2025).
- Improved debt-to-equity ratio from 0.68x to 0.64x, reflecting stronger financial positioning.

Outlook for FY2027 and Beyond:

The Group is cautiously optimistic. The hospitality segment is poised for improved performance, driven by the refurbishment of Avillion Port Dickson and a gradual recovery in tourism. The property division will focus on converting inventory and non-core assets into cash. The travel division is adapting to a dynamic market landscape.

With a revitalised Board, a clear strategy, and a committed management team, Avillion Berhad is focused on building a more resilient and profitable future for all stakeholders.

Acknowledgments

The Board of Directors extends its sincere appreciation to the management, employees, business partners, shareholders, and financial institutions for their unwavering support and commitment throughout a challenging year. Their collective efforts are the foundation for the Group's future success.

PROFILE OF DIRECTORS

DATUK LIM CHAI HOCK

NON-INDEPENDENT
NON-EXECUTIVE CHAIRMAN

Age	Gender	Nationality
67	Male	Malaysian

Board Committee belongs:
Nil

Other directorship in public companies and listed corporations:
PT Bayan Resources Tbk, Indonesia

Family relationship with director/ major shareholder:
Father of Ms. Lim Bay Gie

Conflict of interest:
15% equity interest in Avillion Berhad

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

Number of Board meetings attended:
6/6

Date of appointment:
12 September 2025

QUALIFICATIONS

- Certificate in Land Surveying from Lembaga Jurukur Tanah Malaysia.

WORKING EXPERIENCE & OCCUPATION

Datuk Lim Chai Hock ("Datuk Lim") is the Chief Operating Officer and Director of PT Bayan Resources Tbk, one of Indonesia's largest coal producers. He is also a co-founder of the Bayan Group and serves on the Board of several of its subsidiary companies.

Datuk Lim has over 40 years of experience in the coal mining and mining infrastructure industries. Prior to joining the Bayan Group, he served as Regional Manager at PT Jaya Sumpiles Indonesia from 1983 to 1998, a company focused on coal mining infrastructure projects.

In 1998, Datuk Lim was appointed as Director of PT Gunungbayan Pratamacoal.

YEO TEK LING

MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

Age	Gender	Nationality
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:
8/8

Date of appointment:
28 October 2025
(Joined as Independent Non-Executive Director on 13 August 2025)

QUALIFICATIONS

- Member of the Malaysian Institute of Accountants ("MIA");
- Member of the Chartered Institute of Management Accountants ("CIMA"), U.K.

WORKING EXPERIENCE & OCCUPATION

Mr. Yeo Tek Ling ("Mr. Yeo") currently serves as the Managing Director / Chief Executive Officer of Avillion Berhad.

Mr. Yeo is responsible for leading the strategic direction and overall operations of the Avillion Group. He brings more than 40 years of experience in accounting and finance, corporate governance, strategic management, supply chain management, quality management systems, and business operations.

He began his career in 1981 with Associated Pan Malaysia Cement Sdn. Bhd. as an Assistant Accountant before joining Advanced Packaging Technology (M) Sdn. Bhd. ("APT") in 1985, which was subsequently listed in 1994. During his 36 years with APT, he held various senior management positions, including Finance Director (1996–2019) and Managing Director (2020–2021), before retiring in 2021.

Mr. Yeo has also made significant contributions to the accounting profession, having served on the Council of the Malaysian Institute of Accountants (MIA), held leadership roles within the Chartered Institute of Management Accountants (CIMA) Malaysia Division, and served as a member of the Professional Accountants in Business Committee of the International Federation of Accountants (IFAC), New York, from 2002 to 2007.

LIM BAY GIE

NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

Age	Gender	Nationality
37	Female	Malaysian

Board Committee belongs:
Nil

Other directorship in public companies and listed corporations:
Nil

Family relationship with director/ major shareholder:
Daughter of Datuk Lim Chai Hock

Conflict of interest:
Deemed interest in a 15% equity interest in Avillion Berhad by virtue of her relationship with Datuk Lim Chai Hock.

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

Number of Board meetings attended:
6/6

Date of appointment:
12 September 2025

QUALIFICATIONS

- Bachelor of Chemical Engineering, Curtin University, Australia;
- Master of Finance and Accounting, University of Western Australia

WORKING EXPERIENCE & OCCUPATION

Ms. Lim Bay Gie ("Ms. Bay Gie") has more than 10 years of experience in strategic management, administration, finance, operations and real estate management.

Ms. Bay Gie began her career in 2015 as Head of Operations at Lim Ko Pi Sdn Bhd ("LKP"), where she led the company's expansion from Ipoh to the Klang Valley. She was responsible for managing the operations of three outlets across the Klang Valley. In 2020, she was subsequently promoted to a Management and Advisory role at LKP.

Since 2024, Ms. Bay Gie has also served as a Director of Litebay Innovative Management Sdn Bhd, overseeing the Company's operations and specializing in the management of real estate properties.

LEE EN DIAN

ALTERNATE DIRECTOR TO LIM BAY GIE, THE NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Age	Gender	Nationality
40	Male	Malaysian

Board Committee belongs:
Nil

Other directorship in public companies and listed corporations:
Nil

Family relationship with director/ major shareholder:
Nephew of Datuk Lim Chai Hock

Conflict of interest:
Nil

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

Number of Board meetings attended:
6/6

Date of appointment:
12 September 2025

QUALIFICATIONS

- Bachelor of Laws (Honours), King's College London U.K.
- Member of Lincoln's Inn, U.K.

WORKING EXPERIENCE & OCCUPATION

Partner at Lee Fook Leong & Co.

DATO' SERI JAMIL BIN BIDIN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age	Gender	Nationality
68	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:
9/9

Date of appointment:
12 September 2024

QUALIFICATIONS

- Master in Finance, University of Hull, United Kingdom

WORKING EXPERIENCE & OCCUPATION

Dato' Seri Jamil Bin Bidin ("Dato' Seri Jamil") 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.

Dato' Seri Jamil 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, Dato' Seri Jamil was the Corporate Advisor of KUB Malaysia Berhad, a Main Board conglomerate with business in information and communication technology, education and training, food and beverage, events, energy, property development and construction.

DATIN NORIZAN BINTI IDRIS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age	Gender	Nationality
48	Female	Malaysian

Board Committee belongs:

Chairman of Nomination Committee

Member of Audit Committee

Member of Remuneration Committee

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:
9/9

Date of appointment:
04 April 2019

QUALIFICATIONS

- Bachelor of Corporate Administration, Universiti Teknologi MARA ("UiTM")

WORKING EXPERIENCE & OCCUPATION

Datin Norizan Binti Idris ("Datin Norizan") has more than two decades of professional experience spanning financial services, property development and management, oil and gas, corporate advisory and investment analysis.

Datin Norizan is currently an Investment Analyst with an organisation in the energy sector, focusing on investment strategy, investment and divestment evaluation, financial and commercial analysis, business performance and portfolio value optimisation.

Prior to assuming her current role, Datin Norizan served as the Chief Executive Officer of an investment holding company overseeing investments and business operations in the property development and property management sectors. In that capacity, Datin Norizan was responsible for the company's strategic direction, investment oversight, financial stewardship and overall corporate performance.

Earlier in her career, Datin Norizan held various positions with PETRONAS, Damansara Realty Berhad and Alliance Bank Malaysia Berhad. Datin Norizan experience encompasses corporate strategy, financial planning and analysis, performance management, corporate finance, governance and the development of new business ventures.

HO SOO WOON

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age	Gender	Nationality
63	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:
9/9

Date of appointment:
12 September 2024

QUALIFICATIONS

- Business Administration (Banking and Finance), National University of Singapore

WORKING EXPERIENCE & OCCUPATION

Mr. Ho Soo Woon ("Mr. Ho") 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 and gas and mining.

Mr. Ho started his career as a bank executive in 1985 with the Arab Malaysian Banking Group. Subsequently in 1987, Mr. Ho 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 and medium enterprises loan portfolio in Malaysia.

Mr. Ho currently serves on the Board of KNM Group Berhad. Mr. Ho 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.

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

TAN CHEE WAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age	Gender	Nationality
65	Male	Malaysian

Board Committee belongs:
Member of Audit Committee

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:
6/6

Date of appointment:
03 November 2025

QUALIFICATIONS

- Fellow Member (FCMA) of the Chartered Institute of Management Accountants (CIMA) U.K.
- Member of the Malaysian Institute of Accountants (MIA)

WORKING EXPERIENCE & OCCUPATION

Mr. Tan Chee Wan ("Mr. Tan") has more than 25 years of hands-on corporate experience in various areas of management and functions in diverse industries including auditing, printing, construction, manufacturing, consultancy, engineering and trading. Other than finance, accounting, auditing, taxation, corporate finance and credit control, some of the other functions include general management, business development, strategic business planning, performance improvement, quality assurance, human resources, information technology, budgeting and strategic cost management.

Mr. Tan has had a long and distinguished career as a management accountant in a number of well-known Malaysian and international companies. Mr. Tan started his career in finance as an auditor. In 2000, Mr. Tan joined KNM Berhad as group finance manager and played a pivotal role in KNM's listing submission. In December 2005, Mr. Tan worked for Coats Thread (Malaysia) Sdn. Bhd., an MNC based in the UK as Finance Manager / Director and retired in March 2012 to form Wanfah Prosper Training and Consultancy.

As the pioneer CIMA Global Membership Assessor from Malaysia, Mr. Tan is actively involved in delivering talks and conducting workshops for potential members who wanted to apply for CIMA membership locally as well as in overseas and has conducted in-house training as well as public training programmes on Finance and Accounting both locally as well as in Cambodia for various industries such as hotels, manufacturing, universities, governments, construction, trading etc.

DATUK DR. YACOB BIN MUSTAFA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age	Gender	Nationality
64	Male	Malaysian

Board Committee belongs:
Nil

Other directorship in public companies and listed corporations:
Aimax 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:
5/5

Date of appointment:
16 January 2026

QUALIFICATIONS

- Bachelor of Accounting, Universiti Malaya
- Master of Business Administration, Universiti Kebangsaan Malaysia
- Doctor of Philosophy in Economics, University Kebangsaan Malaysia
- Member of the Malaysian Institute of Accountants (MIA)
- Member of CPA (Aust)

WORKING EXPERIENCE & OCCUPATION

Datuk Dr. Yacob Bin Mustafa ("Datuk Dr. Yacob") has had a distinguished career in Malaysia's public finance sector, culminating in his appointment as the Accountant General of Malaysia, a position he held until his retirement in August 2023.

Starting his career in 1987, Datuk Dr. Yacob swiftly progressed through various key positions within the Malaysian government, including Director of the Central Operation and Agency Services Division and Deputy Accountant General (Operation). Appointed as the Accountant General in October 2019 to August 2023.

Throughout his public service career, Datuk Dr. Yacob served under several Ministers of Finance and played a key role in advancing Malaysia's fiscal strategies and enhancing public sector financial governance.

His influence extends to various board and committee roles, contributing to the strengthening of public finance and administration governance. Datuk Dr. Yacob has been a member of the Audit Committee of Perbadanan Insurans and Deposit Malaysia (PIDM) since 2019, and the Finance and Investment Committee of Majlis Agama Islam Wilayah Persekutuan (MAIWP) since 2022.

In 2023, Datuk Dr. Yacob joined the Audit Committee of the Razak School of Government. In addition, Datuk Dr. Yacob been appointed Chairman of Hong Seng Consolidated Berhad ("HSCB") in 2024 and subsequently appointed as Deputy Chairman of HSBC in November 2025.

Datuk Dr. Yacob was recognised by the Global Accounting Hall of Fame in 2018. He brings extensive experience and expertise make him a valuable contributor in senior advisory or directorial roles, contributing significantly to financial governance and policy development.

PROFILE OF KEY SENIOR MANAGEMENT

YEO TEK LING MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER	Age	Gender	Nationality
	67	Male	Malaysian

Please refer to Profile of Director, page 17.

CHING KIAN HOE, ANDY CHIEF FINANCIAL OFFICER	Age	Gender	Nationality
	59	Male	Malaysian

Mr. Ching Kian Hoe ("Mr. Andy"), a Malaysian aged 59, was appointed Chief Financial Officer of Avillion Berhad on 30 July 2026 after joining the Group as General Manager – Finance on 30 March 2026.

Mr. Andy is a seasoned finance professional with over 30 years of extensive experience in accounting, financial management and strategic leadership across diverse industries, including manufacturing, trading, airline catering, food and beverage, logistics, supply chain and laundry services. He has held numerous senior executive positions in various corporate organisations.

Over the past 12 years, Mr. Andy served as Group Chief Financial Officer ("CFO") in public listed companies, where he was responsible for overseeing full-spectrum financial operations, corporate governance and regulatory compliance. His expertise includes financial reporting, treasury management, tax planning, internal controls, corporate finance, fundraising, mergers and acquisitions, and debt restructuring.

Mr. Andy possesses extensive knowledge of Bursa Malaysia's Listing Requirements and reporting regulations, having successfully led finance functions in public listed companies. In addition to his financial expertise, he has broad commercial experience in sales and marketing, logistics operations, training, public speaking and general insurance.

Mr. Andy is a member of The Chartered Institute of Management Accountants ("CIMA"), United Kingdom.

Mr. Andy does not hold any directorships in public companies or listed issuers and is independent of the Board of Directors and the major shareholders of Avillion Berhad.

SEE ENG WAH CHIEF OPERATING OFFICER	Age 66	Gender Male	Nationality Malaysian

Mr. See Eng Wah ("Mr. See"), a Malaysian aged 66, was appointed Chief Operating Officer of Avillion Berhad in April 2026 after joining the Group as Financial Controller on 21 October 2025.

Mr. See holds a Bachelor of Accounting from Universiti Malaya (UM) and has over 40 years of extensive experience in corporate governance, enterprise resource planning (ERP), digital transformation and operational management. As Chief Operating Officer, he is responsible for driving the Group's operational strategy, transformation initiatives and operational excellence across its hospitality and property development businesses.

Throughout his career, Mr. See has held advisory and senior leadership roles with Telekom Malaysia Berhad ("TM"), Telkom SA (South Africa) and Bank Negara Malaysia, where he led and advised on enterprise resource planning (ERP), billing and revenue management systems, as well as large-scale digital transformation initiatives. He was also a member of the JomPAY Working Committee at Payments Network Malaysia Sdn. Bhd. (PayNet), contributing to the implementation of Malaysia's national bill payment infrastructure.

Mr. See leverages his strong background in both accounting and information technology (IT) to enhance operational efficiency, strengthen corporate governance and support the Group's long-term strategic growth.

Mr. See does not hold any directorships in public companies or listed issuers and is independent of the Board of Directors and the major shareholders of Avillion Berhad.

FONG WAI LEONG CHIEF STRATEGIC OFFICER	Age 57	Gender Male	Nationality Malaysian

Mr. Fong Wai Leong ("Mr. Fong"), a Malaysian aged 57, was appointed to the Board on 12 October 2023 and was redesignated as Chief Executive Officer on 18 January 2024. Subsequently, he was redesignated as Chief Strategic Officer on 11 September 2025.

As Chief Strategic Officer, Mr. Fong is responsible for formulating the strategic direction of the Avillion Group of Companies. He possesses over 30 years of experience in the fields of corporate management, finance and technology.

Prior to joining the Group, Mr. Fong served as the Group Chief Executive Officer of PanPages Berhad, a company listed on the Main Market of Bursa Malaysia. He began his professional career with KPMG as an Auditor before joining CIMB as an Investment Banker.

Throughout his career, Mr. Fong has served on the boards of PanPages Berhad and Cepatwawasan Group Berhad, both public listed companies in Malaysia, ASTI Holdings Limited, a company listed in Singapore, as well as various private companies across Malaysia, Singapore, Hong Kong, Thailand, Vietnam, Indonesia and Cambodia. He currently serves on the boards of PBS Berhad, Oceancash Pacific Berhad, and Experian Information Services (Malaysia) Sdn. Bhd.

Mr. Fong is a member of the Malaysian Institute of Certified Public Accountants.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

INTRODUCTION

The Board of Directors ("the Board") of Avillion Berhad ("the Company" or "AVILLION") reaffirms its unwavering commitment to upholding the highest standards of corporate governance across the Company and its subsidiaries ("the Group"). This commitment is fundamental to realising sustainable long-term shareholder value while duly safeguarding the interests of all stakeholders, including employees, customers, business partners, and the broader community.

This Corporate Governance Overview Statement provides a summary of the Company's application of the principles and practices set out in the Malaysian Code on Corporate Governance ("MCCG"). The Board is satisfied that the Group has substantially adhered to the recommended practices throughout the financial year ended 31 March 2026.

Full Disclosure: Detailed disclosures on the application of each MCCG practice are available in the Corporate Governance Report, which can be accessed 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 holds ultimate accountability for the Group's long-term performance and sustainability. It provides strategic leadership, oversees the Group's operations, and ensures that robust governance frameworks are in place to guide decision-making and risk management.

The Board's principal functions include:

No.	Key Responsibility
1.	Providing strategic direction and ensuring the Group's objectives are aligned with long-term value creation.
2.	Formulating key policies and overseeing investments and business activities.
3.	Ensuring appropriate corporate disclosure policies and procedures are maintained.
4.	Establishing succession planning and ensuring that Senior Management appointments are of the highest calibre.
5.	Identifying principal risks and ensuring the implementation of effective internal controls.

The Board delegates specific functions to Board Committees and entrusts Management with the day-to-day execution of business operations. The Board Charter and Terms of Reference of each Committee delineate the matters reserved for the Board's approval and the delegation of authority.

Practice 1.2 & 1.4 — The Board Chairman

The Board is chaired by Datuk Lim Chai Hock, the Non-Independent Non-Executive Chairman, whose strong entrepreneurial background and extensive leadership experience guide the Board. The Chairman is not a member of the Nomination Committee, Audit Committee, or Remuneration Committee.

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.

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 of Roles: Chairman and CEO

The roles of the Chairman and Managing Director / Chief Executive Officer ("CEO") are held by separate individuals, with clearly defined and distinct responsibilities:

Role	Responsibility
Chairman	Leads the Board, ensures its effectiveness, and facilitates constructive dialogue among Directors.
Managing Director / Chief Executive Officer	Manages the Group's business operations, implements strategic direction, and oversees day-to-day management.

Mr. Yeo Tek Ling serves as the Managing Director / Chief Executive Officer of Avillion Berhad.

This clear segregation of responsibilities ensures an appropriate balance of power and authority, enabling effective oversight and independent decision-making.

The details of the Board Charter and Terms of Reference are available for reference on the Company's website at www.avillionberhad.com.

Practice 1.5 — Company Secretaries

The Board is supported by two (2) qualified and competent Company Secretaries who play a crucial role in ensuring good governance practices are upheld. Their key functions include:

No.	Function
1.	Advising the Board on governance, regulatory compliance, and statutory obligations.
2.	Ensuring that Directors are kept informed of relevant legal and regulatory developments.
3.	Attending all Board and Committee meetings and ensuring accurate recording of minutes.
4.	Maintaining proper corporate records and facilitating Board communications.

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

Practice 1.6 — Information and Support for Directors

The Board meets at least quarterly, and additional meetings are convened as and when required. All Directors received meeting materials in advance, including agendas, minutes, financial reports, and relevant supporting documents, to facilitate informed decision-making.

Key Features:

Feature	Description
Meeting Materials	Circulated in advance to allow sufficient time for review.
Management Representation	Senior Management attends meetings to provide insights and address queries.
Circular Resolutions	Used for matters requiring approval between meetings.
Access to Information	Directors have unrestricted access to Company records and Management.
Independent Advice	Directors may obtain independent professional advice at the Company's expense, subject to prior consultation with the Chairman.

Practice 2.1 — Board Charter

The Board Charter serves as a governance blueprint, outlining the roles, responsibilities, composition, and processes of the Board. It provides clarity on:

- The Board's leadership and oversight functions.
- Delegation of authority to Board Committees and Management.
- Core corporate governance principles.

The Board Charter and the Terms of Reference of all Committees are reviewed periodically to ensure they remain relevant and aligned with evolving regulatory and business requirements.

The details of the Board Charter and Terms of Reference are published on the Company's website at www.avillionberhad.com.

Practice 3.1 — Code of Ethics and Conduct

The Group has in place a Code of Ethics and Conduct ("the Code") and 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 for Directors, which describes the standards of business conduct and ethical behaviour for Directors in the performance and exercise of their duties and responsibilities as Directors of the Company or when representing the Company.

The Code of Ethics and Conduct is available on the Company's website at www.avillionberhad.com.

Practice 3.2 — Whistleblowing Policy

The Board is committed to maintaining the highest standards of integrity, openness, and accountability in the conduct of its businesses and operations. It has established a 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:

No.	Matter
1.	Financial malpractice or fraud
2.	Non-compliance with regulatory requirements
3.	Danger to health, safety, or the environment
4.	Criminal activity
5.	Corruption

Key Features of the Whistleblowing Policy:

Feature	Description
Protection	Whistleblowers are accorded confidentiality and protection against adverse actions, provided that disclosures are made in good faith.
Procedures	The policy outlines clear reporting protocols for reporting genuine concerns.
Accessibility	The Whistleblowing Policy is reviewed periodically and is available on the Company's website at **www.avillionberhad.com.**

Practice 4.1 — Responsibility for the Governance of Sustainability

The Board is responsible for overseeing the Group's sustainability agenda, practices, strategies, and performance, supported by Management. Management is tasked with integrating sustainability considerations into 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 sustainability performance for the financial year ended 31 March 2026.

Practice 4.2 & 4.3 — Effective Communication with Stakeholders & Sustainability Issues

The Group values transparent and open communication with all stakeholders. Engagement is conducted through various channels to better understand stakeholder expectations and to seek feedback on matters of mutual interest.

Materiality Assessment:

The Group conducts an annual materiality assessment to ensure that its sustainability focus areas remain relevant to stakeholders. The results of the assessment are disclosed in the Sustainability Statement of the Annual Report 2026.

Practice 4.4 — Performance Evaluations of the Board

The Board and Board Committees undergo an annual performance evaluation, facilitated by the Nomination Committee. The evaluation assesses:

No.	Area of Assessment
1.	Board and Committee performance and effectiveness.
2.	Board skills matrix and composition.
3.	Individual Directors' performance, competency, and independence.
4.	The Chairman's leadership and effectiveness.

Key Findings of the Assessment:

No.	Finding
1.	Directors have discharged their responsibilities commendably and demonstrated full commitment.
2.	The Board's composition reflects an appropriate mix of skills, expertise, and diversity.
3.	Independent Directors have maintained objectivity and independence in their decision-making.
4.	Board Committees have operated effectively and contributed positively to the Group.

II. Board Composition

Practice 5.1 & 5.7 — Nomination Committee & Appointment and Re-appointment of Directors

The Nomination Committee performs a Board Assessment on an annual basis to ensure that the Board comprises individuals with the appropriate mix of skills, expertise, and experience to lead the Group effectively.

During the financial year, the Nomination Committee conducted a thorough assessment of Directors who are seeking re-election at the forthcoming 34th Annual General Meeting ("34th AGM"). The Committee concluded that the following Directors are eligible for re-election:

No.	Director	Basis of Re-election
1.	Mr. Yeo Tek Ling	Pursuant to Clause 100
2.	Dato' Seri Jamil Bin Bidin	Pursuant to Clause 100
3.	Datuk Lim Chai Hock	Pursuant to Clause 107
4.	Ms. Lim Bay Gie	Pursuant to Clause 107
5.	Mr. Tan Chee Wan	Pursuant to Clause 107
6.	Datuk Dr. Yacob Bin Mustafa	Pursuant to Clause 107

The Board has approved and proposed the re-election of Mr. Yeo Tek Ling, Dato' Seri Jamil Bin Bidin, Datuk Lim Chai Hock, Ms. Lim Bay Gie, Mr. Tan Chee Wan, and Datuk Dr. Yacob Bin Mustafa at the forthcoming 34th AGM.

Board Changes during and after the Financial Year

No.	Director	Change	Effective Date
1.	Mr. Fong Wai Leong	Retired during the financial year	11 September 2025
2.	Mr. Li, Anwei	Retired during the financial year	11 September 2025
3.	Mr. Yeo Tek Ling	Appointed as Independent Non-Executive Director	13 August 2025
4.	Mr. Yeo Tek Ling	Redesignated as Managing Director / Chief Executive Officer	28 October 2025
5.	Mr. Christopher Lawrence Bachran	Resigned after the financial year	24 April 2026 (announced on 27 April 2026)

Disclosure of Director Profiles and Interests

Detailed profiles of the Directors seeking re-election at the 34th AGM, including their qualifications, working experience, directorships in other public listed companies, relationship with any Directors or major shareholder, and any conflict of interest with the Company, are set out in the Profile of Directors section of the Annual Report 2026.

The interests of the Directors in the securities of the Company, as well as their attendance at Board of Directors' meetings held during the financial year ended 31 March 2026, are also disclosed in the Annual Report.

Practice 5.2, 5.3 & Step Up 5.4 — Independent Directors

The Board currently consists of eight (8) members, comprising:

Category	Number
Non-Independent Non-Executive Chairman	1
Executive Director / Managing Director / CEO	1
Non-Independent Non-Executive Director & Alternate Director	1
Independent Non-Executive Directors	5

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 Board delegates specific responsibilities to the following three (3) Board Committees in discharging its fiduciary duties:

Committee	Role
Nomination Committee ("NC")	Oversees Board composition, appointments, and performance evaluations
Audit Committee ("AC")	Oversees financial reporting, risk management, and internal controls
Remuneration Committee ("RC")	Oversees remuneration policies for Directors and Key Senior Management

The Independent Non-Executive Directors are independent of Management and free from any business, relationships, or circumstances that could materially interfere with the exercise of independent judgment or the ability to act in the best interests 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.

Independent Directors' Role:

- Provide a balanced and independent view.
- Require persons of calibre, integrity, business acumen, credibility, skills, and experience.
- Bring independent judgment on issues of strategy, performance, and resources, including key appointments and standards of conduct.

Tenure of Independent Directors:

In line with MCCG recommendations, Independent Directors serve a cumulative term not exceeding nine (9) years. The Board confirms that the tenure of all Independent Directors is within this limit. Should the Board wish to retain an Independent Director beyond this period, shareholders' approval will be sought.

Practice 5.5 & 5.6 — Diversity & Sourcing of Directors

The Nomination Committee ensures that the Board comprises a balanced mix of knowledge, skills, and experience. When considering new appointments, the Committee undertakes a thorough review of candidates based on:

No.	Criteria
1.	Qualifications and professional expertise.
2.	Relevant experience and industry knowledge.
3.	Personal attributes and time commitment.
4.	Ability to contribute effectively to Board deliberations.

Appointments and Redesignations During the Financial Year:

No.	Director	Role	Effective Date
1.	Datuk Lim Chai Hock	Non-Independent Non-Executive Chairman	12 September 2025
2.	Ms. Lim Bay Gie	Independent Non-Executive Director	12 September 2025
3.	Mr. Lee En Dian	Alternate Director to Ms. Lim Bay Gie	12 September 2025
4.	Mr. Tan Chee Wan	Independent Non-Executive Director	03 November 2025
5.	Datuk Dr. Yacob Bin Mustafa	Independent Non-Executive Director	16 January 2026
6.	Mr. Yeo Tek Ling	Independent Non-Executive Director	13 August 2025
7.	Mr. Yeo Tek Ling	Redesignated as Managing Director / Chief Executive Officer	28 October 2025

All Directors have completed the Mandatory Accreditation Programme and continue to participate in relevant training programmes to stay abreast of developments in governance and regulatory requirements.

Practice 5.8 — Nomination Committee

The Nomination Committee comprises exclusively Independent Non-Executive Directors:

Role	Director
Chairperson	Datin Norizan Binti Idris (Independent Non-Executive Director)
Member	Mr. Ho Soo Woon (Independent Non-Executive Director)
Member	Mr. Christopher Lawrence Bachran (Independent Non-Executive Director) (*)

Note: (*) Mr. Christopher Lawrence Bachran resigned as a Member of NC w.e.f. 24 April 2026.

Meetings Held During the Financial Year:

Director	Meetings Attended
Datin Norizan Binti Idris (Chairperson)	6/6
Mr. Ho Soo Woon	6/6
Mr. Christopher Lawrence Bachran	5/5 (*)

Note: (*) Mr. Christopher Lawrence Bachran resigned as a Member of NC w.e.f. 24 April 2026.

Key Activities Undertaken:

No.	Activity
1.	Nominated new nominees for appointments to the Board and Board Committees.
2.	Assessed the performance of the Board, Board Committees, and individual Directors.
3.	Annually reviewed the required mix of skills, experience, and core competencies.
4.	Reviewed the size of the Board against the size of the Group and the complexity of the business.
5.	Reviewed and recommended the re-election of retiring Directors.
6.	Reviewed the performance of Key Senior Management positions.
7.	Reviewed and recommended the appointment of Mr. Yeo Tek Ling as Independent Non-Executive Director on 13 August 2025, and subsequently his redesignation as Managing Director / Chief Executive Officer on 28 October 2025.

Practice 5.9 & 5.10 — Gender Diversity

The Board acknowledges the importance of gender diversity as a key element of an effective Board. As at the date of this report, the Board comprises two (2) woman Directors.

While the Board does not currently have a formal gender diversity policy, it is supportive of the MCCG's recommendation and will continue to consider suitable and qualified female candidates for future Board appointments. The Board remains committed to ensuring that its composition reflects diversity in skills, experience, and perspectives.

Practice 6.1 — Evaluation of Board, Committees, and Individual Directors

The Board's performance evaluation is conducted annually through a structured process. Each Director completes a detailed questionnaire covering:

No.	Assessment Area
1.	Contribution to Board interactions and discussions.
2.	Quality and relevance of input provided.
3.	Understanding of role and responsibilities.
4.	Personal development and training needs.

The assessment is internally facilitated, with results compiled, documented, and reported to the Board. The Board is committed to continuous improvement and uses the findings to identify areas for enhancement.

III. Remuneration

Practice 7.1 — Remuneration Policy

The Board, upon the recommendation of the Remuneration Committee, determines the remuneration of Directors and Key Senior Management. The overriding principle is to ensure that remuneration packages are competitive, fair, and aligned with the Group's performance and long-term objectives.

Category	Approach
Managing Director / Chief Executive Officer	Remuneration is determined based on performance, profitability, and market benchmarks.
Non-Executive Directors	Remuneration reflects market rates, adjusted for experience and responsibilities undertaken.
Board Committees	Additional fees are payable to Committee Chairmen, reflecting their increased responsibilities.

Directors' fees are subject to shareholders' approval at the Annual General Meeting.

Practice 7.2 — Remuneration Committee

The Remuneration Committee comprises exclusively Independent Non-Executive Directors:

Role	Director
Chairman	Mr. Ho Soo Woon (Independent Non-Executive Director)
Member	Datin Norizan Binti Idris (Independent Non-Executive Director)
Member	Mr. Christopher Lawrence Bachran (Independent Non-Executive Director) (*)

Note: (*) Mr. Christopher Lawrence Bachran resigned as a Member of RC w.e.f. 24 April 2026.

Meetings Held During the Financial Year:

Director	Meetings Attended
Mr. Ho Soo Woon (Chairman)	4/4
Datin Norizan Binti Idris	4/4
Mr. Christopher Lawrence Bachran	3/3 (*)

Note: (*) Mr. Christopher Lawrence Bachran resigned as a Member of RC w.e.f. 24 April 2026.

Key Activities Undertaken:

No.	Activity
1.	Reviewed and recommended Directors' fees and meeting allowances.
2.	Reviewed and recommended remuneration for Board Committee Chairmen.
3.	Assessed Directors' fees and benefits for the financial year ended 2026.
4.	Reviewed Key Senior Management remuneration and performance.
5.	Reviewed and recommended the remuneration package for Mr. Yeo Tek Ling upon his appointment as Independent Non-Executive Director on 13 August 2025, and subsequently upon his redesignation as Managing Director / Chief Executive Officer on 28 October 2025.

Practice 8.1 & 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'000)	Salaries (RM'000)	Statutory Contributions (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Non-Executive Directors					
Datuk Lim Chai Hock (appointed on 12 September 2025)	28	-	-	-	28
Dato' Seri Jamil Bin Bidin	39	-	-	-	39
Datin Norizan Binti Idris	47	-	-	-	47
Mr. Ho Soo Woon	70	-	-	-	70
Mr. Yeo Tek Ling (appointed as Non-Executive Director on 13 August 2025)	6	-	-	-	6
Ms. Lim Bay Gie (appointed on 12 September 2025)	17	-	-	-	17
Mr. Tan Chee Wan (appointed on 3 November 2025)	12	-	-	-	12
Datuk Dr. Yacob Bin Mustafa (appointed on 16 January 2026)	6	-	-	-	6
Mr. Stephen Geh Sim Whye (Resigned on 20 May 2025)	4	-	-	-	4
Mr. Rungit Singh A/L Jaswant Singh (Resigned on 20 May 2025)	7	-	-	-	7
Mr. Li, Anwei (Appointed on 16 May 2025, resigned on 11 September 2025)	10	-	-	-	10
Mr. Christopher Lawrence Bachran (resigned on 24 April 2026)	30	-	-	-	30
Total for Non-Executive Directors	**276**	**-**	**-**	**-**	**276**

Executive Directors					
Mr. Fong Wai Leong (Retired on 11 September 2025)	-	240	29	11	280
Mr. Yeo Tek Ling (Redesignated as Executive Director on 28 October 2025)	-	154	6	2	162
Total for Executive Directors	**-**	**394**	**35**	**13**	**442**

Training Programmes Attended by Directors

During the course of the financial year, the Directors attended various training programmes, including 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.

Name	Date	Programme
Datuk Lim Chai Hock	8 & 9 December 2025	Malaysia Mandatory Accreditation Programme (MAP) Part I
Ms. Lim Bay Gie	28 & 29 January 2026	Malaysia Mandatory Accreditation Programme (MAP) Part I
	24 & 25 June 2026	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Dato' Seri Jamil Bin Bidin	27 & 28 August 2025	Malaysia Mandatory Accreditation Programme (MAP) Part I
Datin Norizan Binti Idris	14 October 2025	New Turning Point To Corporate Liability Under Section 17A Of The MACC Act, Tenaga Nasional
	14 October 2025	The Evolving Corporate Governance Landscape In Malaysia: Impact Of The Updated MCCG 2021, Tenaga Nasional
Mr. Tan Chee Wan	28 & 29 January 2026	Malaysia Mandatory Accreditation Programme (MAP) Part I
	24 & 25 June 2026	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Mr. Yeo Tek Ling	12 & 13 November 2025	Malaysia Mandatory Accreditation Programme (MAP) Part I
	24 & 25 June 2026	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Mr. Ho Soo Woon	03 October 2025	Corporate Training on Environmental, Social, and Governance (ESG) Overview and Workshop Series
Mr. Lee En Dian	8 & 9 December 2025	Malaysia Mandatory Accreditation Programme (MAP) Part I

PRINCIPLE B — EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

Practice 9.1, Step Up 9.4 & 8.5 — Audit Committee

The Audit Committee ("AC") comprises the following members:

Role	Director
Chairman	Mr. Ho Soo Woon (Independent Non-Executive Director)
Member	Datin Norizan Binti Idris (Independent Non-Executive Director)
Member	Mr. Tan Chee Wan (Independent Non-Executive Director)
Member	Mr. Christopher Lawrence Bachran (*)

*Note: (*) Mr. Christopher Lawrence Bachran resigned as a Member of AC w.e.f. 24 April 2026.

Note: The Audit Committee Chairman is not the Chairman of the Board, ensuring independence and objectivity.

The Audit Committee Report is set out separately in this Annual Report. The Committee's Terms of Reference are available on the Company's website at www.avillionberhad.com.

Practice 9.2 & 9.3 — Oversight of External Auditors

In July 2022, in line with MCCG Practice 9.2, the Audit Committee revised its Terms of Reference 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 non-audit services, including the review of the Statement on Risk Management and Internal Control. The Board, through its Audit Committee, maintains a formal and transparent relationship with its external auditors.

Audit Committee Responsibilities:

- Make recommendations on the appointment, re-appointment, or removal of external auditors.
- Assess the performance, effectiveness, and independence of external auditors annually.
- Ensure that the external auditors work closely with Internal Auditors to enhance the effectiveness of the overall audit process.

Private Meetings: Private meetings between the Audit Committee and External Auditors were held once during the financial year without the presence of Management and Executive Directors.

II. Risk Management and Internal Control Framework

Practice 10.1 & 10.2 — Board Responsibility for Risk Management and Internal Control

The Board is responsible for ensuring that the Group's risk management and internal control systems are robust, effective, and aligned with its strategic objectives. The Group adopts a structured approach to risk management, encompassing the identification, assessment, monitoring, and mitigation of key risks.

The Statement on Risk Management and Internal Control, prepared in accordance with Paragraph 15.26(b) of the MMLR, is set out separately in this Annual Report.

Practice 11.1 & 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 issues raised in the previous internal audit and ensures that the proposed action plans have 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.

Internal Audit Costs:

	FY2026	FY2025
Internal Audit Cost	RM230,000	RM270,000

During the financial year ended 31 March 2026, the total cost incurred for the Group's internal audit function amounted to approximately RM230,000, compared to RM270,000 in the preceding financial year. The reduction in cost reflects the Group's ongoing efforts to optimise internal audit resources while maintaining effective coverage of key risk areas.

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 providing timely, accurate, and complete information to its shareholders, stakeholders, and the investing public. The Company employs multiple communication channels to ensure transparency and foster investor confidence.

Communication Channel	Purpose
Annual Report	Comprehensive disclosure of financial performance, governance, and sustainability.
Quarterly Announcements	Timely release of financial results via Bursa Malaysia.
Company Website	Repository of annual reports, announcements, and corporate information.
Investor Relations	Dedicated contact for addressing shareholder and investor enquiries.

II. Conduct of General Meetings

Practice 13.1 — Notice of General Meetings

Notices of General Meetings, together with the Annual Report and/or Circular to Shareholders, are dispatched to shareholders within the prescribed notice period, allowing sufficient time for review and preparation.

Practice 13.2 — Attendance of Directors at General Meetings

The Annual General Meeting serves as the primary forum for shareholder engagement. All Directors and Committee Chairmen are expected to attend and address shareholders' queries.

Practice 13.3 & 13.4 & 13.5 — Voting & Conduct of General Meetings

The Company will be conducting its upcoming AGM at a physical venue with electronic voting facilities. Shareholders are entitled to appoint corporate representatives or proxies to participate and vote on their behalf.

The Company had appointed ShareWorks Sdn. Bhd. as the Poll Administrator to conduct the poll and to provide virtual meeting facilities for the 33rd AGM held on 11 September 2025.

Practice 13.6 — Minutes of General Meetings

The minutes of the 33rd AGM were made available to shareholders on the Company's website. The Company will upload the minutes of the upcoming 34th AGM no later than 30 business days after the AGM on its website at www.avillionberhad.com.

ADDITIONAL COMPLIANCE INFORMATION

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

1. Utilisation of Proceeds Raised from Corporate Proposals

On 16 May 2025, the Company announced the proposed listing and quotation of up to 283,322,100 Placement Shares at an issue price to be determined and fixed by the Board and announced at a later date.

Event	Date
Listing application submitted to Bursa Securities	26 May 2025
Approval obtained from Bursa Securities	8 July 2025
Shareholders' approval obtained at Extraordinary General Meeting	29 July 2025
Issuance and allotment of 283,000,000 new ordinary shares at RM0.04 per share	8 August 2025

The Company successfully raised gross proceeds of RM11,320,000 from the private placement.

Status of Utilisation of Proceeds as at 31 March 2026:

Details of Utilisation	Proceeds Raised (RM'000)	Amount Utilised (RM'000)	Amount Unutilised (RM'000)	Intended Timeframe for Utilisation
Refurbishment and maintenance of hotel	4,000	688	3,312	Within 24 months
Repayment of bank borrowings	3,000	3,000	-	Within 12 months
Working capital requirements	3,820	3,820	-	Within 12 months
Estimated expenses	500	372	128	Within 1 month
Total	**11,320**	**7,880**	**3,440**	

The utilisation of proceeds is in accordance with the intended purposes and timeframes as disclosed in the Circular to Shareholders dated 14 July 2025.

2. Audit and Non-Audit Fees

During the financial year ended 31 March 2026, the amounts of audit and non-audit fees paid/payable by the Group and the Company to the external auditors are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration:		
statutory audit:		
Baker Tilly Monteiro Heng PLT	331	100
Other auditors	82	-
non-statutory audit:		
Baker Tilly Monteiro Heng PLT	8	6

3. Material Contracts with Related Parties

There were no material contracts entered into by the Company or its subsidiaries involving Directors, the Chief Executive Officer, or major shareholders that subsisted at the end of the financial year or were entered into since the previous financial year.

4. Conflict of Interest

The Audit Committee reviewed and monitored all conflicts of interest and potential conflict of interest situations within the Company from time to time to ensure that they are identified and managed effectively, in compliance with the Bursa Securities Listing Requirements.

STATEMENT OF COMPLIANCE WITH THE CODE

The Board is satisfied that the Group has substantially complied with the majority of the practices set out in the Malaysian Code on Corporate Governance throughout the financial year ended 31 March 2026.

The Board remains committed to strengthening its governance framework and will continue to enhance the application of best practices to safeguard the interests of shareholders and other stakeholders.

This Statement was approved by the Board of Directors on 30 July 2026.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the Audit Committee Report for the financial year ended 31 March 2026.

1. COMPOSITION

The Audit Committee ("AC") was appointed by the Board of Directors ("the Board") and comprises the following members, all of whom are Independent NonExecutive Directors:

Chairman	Mr. Ho Soo Woon *Independent Non-Executive Director*
Members	Mr. Tan Chee Wan *Independent Non-Executive Director*
	Datin Norizan Binti Idris *Independent Non-Executive Director*
	Mr. Christopher Lawrence Bachran *Independent Non-Executive Director (*)*
	Mr. Yeo Tek Ling *Independent Non-Executive Director (*)*

Note: (*)
Mr. Christopher Lawrence Bachran resigned as a Member of AC w.e.f. 24 April 2026.
Mr. Yeo Tek Ling resigned as a Member of AC w.e.f. 28 October 2025.

The composition of the Committee is in full compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

2. TERMS OF REFERENCE

The Terms of Reference of the Audit Committee are available on the corporate website at www.avillionberhad.com. The Committee reviews its Terms of Reference periodically to ensure they remain relevant and aligned with regulatory requirements and best practices.

3. AUDIT COMMITTEE MEETINGS

During the financial year ended 31 March 2026, the Audit Committee held five (5) meetings. The details of attendance of each Committee member are as follows:

Member	*Designation*	*No. of Meetings Attended*
Mr. Ho Soo Woon	Chairman	5/5
Mr. Tan Chee Wan	Committee Member	4/4
Datin Norizan Binti Idris	Committee Member	4/5
Mr. Christopher Lawrence Bachran	Committee Member	2/3
Mr. Yeo Tek Ling	Committee Member	1/1

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the Committee carried out its duties in accordance with its Terms of Reference. The key activities undertaken included the following:

(a) Financial Reporting

- Reviewed the Group's annual budget and business strategies before recommending them to the Board for approval.
- Reviewed the quarterly and annual financial statements, significant variances against the budget, and draft announcements to Bursa Malaysia with Management and the External Auditors before recommending them to the Board for approval.
- Deliberated on the adequacy of key disclosures in the financial statements, ensuring conformity with applicable accounting standards, legal requirements, and regulatory provisions.
- Assessed the Group's ability to meet its contractual and financial commitments and reviewed the precautionary and corrective measures initiated by Management.

(b) External Audit

- Reviewed and approved the External Auditors' annual audit planning memorandum, which outlined the engagement team, audit approach, scope of work, and significant accounting and auditing matters affecting financial reporting.
- Reviewed the audit conclusions, key matters arising, and Management's responses thereto.
- Discussed with the External Auditors the impact of significant accounting and auditing updates, including new or proposed changes in accounting standards and regulatory requirements.
- Conducted private sessions with the External Auditors, when required, without the presence of Management to ensure any contentious or sensitive issues were raised for the Committee's attention.
- Evaluated the suitability, performance, independence, and objectivity of the External Auditors and recommended their reappointment and proposed audit fees to the Board for approval.

(c) Internal Audit

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

(d) Related Party Transactions

- Reviewed any related party transactions and conflict of interest situations that may arise within the Group to ensure they were conducted on arm's length terms and in the best interes*t of the Group and its shareholders.*

(e) Annual Report

- Reviewed and recommended the reports and statements in the Annual Report 2026 for the Board's approval.

5. SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Internal Audit function reports directly to the Audit Committee. Its principal role is to undertake periodic reviews on the state of the risk management and internal control systems 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 systems continue to operate satisfactorily and effectively and that there is compliance with applicable regulations, policies, and procedures.

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 that key controls addressing identified potential risks are reviewed.

Activities Carried Out During the Financial Year

For the financial year ended 31 March 2026, 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 Management on key areas of concern.

- Conducted scheduled audit engagements and walkthrough processes of the Group's business and support divisions, focusing primarily on key business processes, prevailing support systems, internal controls, governance processes, safeguarding of assets, operational efficiency and effectiveness, and conformity with policies, procedures, and relevant laws and regulations.

- Performed followup reviews on the 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 systems in identifying, evaluating, managing, and monitoring key potential risks.

- Presented audit reports to the Audit Committee and Management which highlighted key concerns, root causes, 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 adhoc 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, or accountability over any aspects of the business and support divisions reviewed.

6. INTERNAL AUDIT COST

For the financial year under review, the total cost incurred in relation to the internal audit function amounted to approximately RM230,000 (2025: RM270,000).

7. CONCLUSION

The Audit Committee is satisfied that it has discharged its responsibilities and duties in accordance with its Terms of Reference and the applicable provisions of the Main Market Listing Requirements of Bursa Malaysia and the Malaysian Code on Corporate Governance. The Committee continues to exercise due care and diligence in safeguarding the interests of the Group and its shareholders.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

1. INTRODUCTION

The Board of Directors ("the Board") of Avillion Berhad is pleased to present the Statement on Risk Management and Internal Control ("the Statement"), which outlines the nature and scope of the Group's risk management and internal control systems for the financial year ended 31 March 2026.

This Statement has been prepared in accordance with Paragraph 15.26(b) and Practice Note 9 of the Bursa Malaysia Main Market Listing Requirements, Part II of Principle B of the Malaysian Code on Corporate Governance ("MCCG") and the SORMIC Guide 2025: Guidelines for Directors of Listed Companies issued by the Institute of Internal Auditors Malaysia ("IIAM").

The SORMIC Guide 2025 marks the first major update since 2012 and aligns with international best practices, as set by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the International Organization for Standardization (ISO) and The Institute of Internal Auditors (IIA).

2. BOARD'S RESPONSIBILITY

The Board affirms its ultimate responsibility for establishing, maintaining and reviewing the adequacy and effectiveness of the Group's risk management and internal control systems. The Board acts as the active risk steward, ensuring that these systems support the achievement of strategic objectives while safeguarding shareholders' interests, customers, employees and the Group's assets.

The Board has established an ongoing process for identifying, evaluating and managing the Group's material risks, including emerging risks such as climate change and cybersecurity. In discharging its responsibilities:

1. The Board sets clear roles and delegated authority, defining the Group's risk appetite and tolerance levels.

2. The Board has delegated oversight of risk management and internal control systems to its Audit Committee.

3. The Board regularly reviews the results of risk assessments, including mitigating measures taken by Management to address key risks.

2.1 Review Process by Board Committees

The Board, through its Committees, has established a structured and rigorous process to review the adequacy and effectiveness of the Group's risk management and internal control systems, and to address any significant failings or weaknesses identified.

The key elements of the review process are as follows:

No.	Review Process	Description
1.	**Regular Committee Meetings**	The Audit Committee meets at least quarterly, or more frequently as required, to review reports from Management, Internal Audit and External Auditors on the status of internal controls, risk management activities and any significant control issues or deficiencies identified.

No.	Review Process	Description
2.	**Review of Internal Audit Findings**	The Audit Committee reviews all internal audit reports, including audit findings, recommendations, risk implications and Management's proposed action plans. Significant findings are escalated to the Board for deliberation and decision-making.
3.	**Assessment of Risk Register**	The Board and Audit Committee periodically review the Group's risk register to ensure that all material and emerging risks are identified, assessed and adequately mitigated. This includes a review of risk ratings, control effectiveness and any changes in the risk profile of the Group.
4.	**Management Action Plans**	Management is required to prepare and implement action plans to address all identified control weaknesses and deficiencies. Progress on these action plans is monitored and reported to the Audit Committee on a regular basis until all issues are satisfactorily resolved.
5.	**Follow-Up Audits**	The Internal Audit Department conducts follow-up audits to verify that Management has implemented the agreed corrective actions within the stipulated timelines. The results of these follow-up audits are reported to the Audit Committee.
6.	**External Auditor's Input**	The External Auditors provide independent observations on the Group's internal control environment, including any material weaknesses or significant deficiencies noted during the statutory audit. These observations are deliberated by the Audit Committee and the Board, and appropriate remedial actions are taken.
7.	**Annual Assessment**	The Audit Committee conducts an annual assessment of the adequacy and effectiveness of the Group's risk management and internal control systems, taking into account the reports and assurances received from Management, Internal Audit and External Auditors.

2.2 Remedial Actions for Identified Failings or Weaknesses

The Board affirms that, where any significant failings or weaknesses in the risk management and internal control systems have been identified, appropriate and timely remedial actions have been taken to address such issues.

The remedial process includes:

No.	Remedial Action	Description
1.	**Immediate Corrective Measures**	Where urgent or high-risk issues are identified, Management is required to implement immediate corrective measures to mitigate potential adverse impacts on the Group's operations, financial position, or reputation.
2.	**System Enhancements**	Where systemic weaknesses are identified, the Group undertakes enhancements to its internal control processes, policies, and procedures to prevent recurrence of similar issues.
3.	**Training and Awareness**	Where weaknesses arise from a lack of awareness or understanding of policies and procedures, the Group provides targeted training and capacity-building programmes to relevant employees.
4.	**Monitoring and Reporting**	All remedial actions are subject to ongoing monitoring by Management and periodic reporting to the Audit Committee until the identified issues are fully resolved. The Audit Committee reviews the status of outstanding issues at each meeting to ensure timely closure.
5.	**Board Oversight**	Significant issues and the corresponding remedial actions are escalated to the Board for oversight, ensuring that appropriate resources and attention are directed towards resolving critical control deficiencies.

The Board confirms that, during the financial year under review and up to the date of approval of this Statement, all significant failings or weaknesses identified have been appropriately addressed, and the necessary remedial actions have been taken to strengthen the Group's risk management and internal control environment.

The Board acknowledges that risk management and internal control systems have inherent limitations. These systems are designed to manage risks within tolerance levels, not to eliminate them entirely. Accordingly, these systems provide reasonable, but not absolute, assurance against material misstatement, financial losses, fraud and breaches of laws or regulations.

3. RISK MANAGEMENT SYSTEM

The Board recognises that effective risk management is integral to business management. Risk management is embedded into objective setting, organisational culture, performance optimisation, decision-making and long-term value creation.

3.1 Risk Management Framework

The Group is currently formalising an Enterprise Risk Management ("ERM") framework, which applies to all subsidiaries and clearly defines risk management ownership. The framework is inline with the ISO 31000 International Risk Management Standards and incorporates the following key elements:

Element	Description
Strategy & Policy	Establish risk management strategy and policy across all business segments
Governance	Define risk organisation structure, roles, and responsibilities
Process	Set processes for risk identification, evaluation, mitigating controls, monitoring and reporting
Risk Appetite	Align the Group's risk appetite and parameters (qualitative and quantitative)
Resources	Ensure appropriate skills, resources and system infrastructure
Culture	Promote strong risk management culture, practices and processes

3.2 Three Lines Model

The Group adopts the "Three Lines Model" as its risk governance structure, which provides a formal and transparent framework for risk oversight:

Line	Responsibility
First Line — Business Operations	Heads of business and support divisions are responsible for integrating risk management into core business activities. They assess risks based on likelihood and impact and devise controls to manage risks within acceptable tolerance levels.
Second Line — Oversight Functions	Independent monitoring functions ensure the Group conducts business within internal guidelines and comply with regulatory requirements.
Third Line — Internal Audit	The Internal Audit function provides independent and objective assurance to the Board on the adequacy and effectiveness of internal controls, risk management and governance processes.

3.3 Risk Identification, Monitoring & Reporting

The Group maintains a register of key risks together with corresponding mitigating activities and risk ratings. Throughout the financial year, the main risk management activities included:

1. **Risk Assessment**: Management identifies and evaluates key risks based on likelihood of occurrence and potential risk implications.

2. **Scenario Analysis**: The Group embeds scenario planning and assessment of emerging risks, including climate-related risks, into board risk oversight processes.

3. **Regular Reporting**: Risk reports summarising the Group's top risks, action plans, and key risk indicators are presented to the Board on a regular basis.

4. **Board Meetings**: Meetings with Management are conducted at least quarterly, or as and when required, to discuss strategic, financial, operational and other agenda.

4. INTERNAL CONTROL SYSTEM

The internal control system comprises financial, operational and compliance controls to manage and mitigate identified principal risks.

4.1 Control Environment

The control environment sets the tone of the Group's overall control awareness and approach.

No.	Feature
1.	The Group's vision, mission and strategic direction are communicated top-down to all employees to reinforce core values of commitment, integrity, speed and cost effectiveness.
2.	Board Committees — namely the Audit Committee, Nomination Committee and Remuneration Committee — have been established to assist the Board in executing its governance responsibilities and oversight functions. These committees operate under defined terms of reference and authority.
3.	A formalised organisation structure with defined lines of reporting, levels of authority, responsibility, and accountability is in place. This ensures appropriate segregation of duties and effective stewardship, with periodic reviews to prevent conflicts of interest, human errors, and abuses.

4.2 Control Activities

Control activities are the policies and procedures that help ensure management directives are carried out.

No.	Feature
1.	Established policies and procedures provide guidance for managing operational and business activities. Processes for assessing and approving capital/investment expenditure, asset disposal, investment funding and authorisation limits are periodically reviewed and updated in line with changes in business strategy and environment.
2.	Business and support divisions prepare annual business plans, financial and operating budgets for review by Management and approval by the Board. Variances between budgeted and actual results are reviewed as part of performance management to formulate remedial and mitigation plans.
3.	Employee recruitment, performance evaluation, training and development programmes are periodically reviewed to sustain a competent workforce and ensure business continuity. All employees are contractually bound to observe prescribed standards of business ethics.
4.	The Anti-Bribery and Corruption Policy and Whistleblowing Policy provide clarity, protection and confidentiality to whistleblowers. These policies, published on the Company's website, reaffirm the Group's commitment to conducting business with integrity, transparency and in compliance with applicable laws and regulations.

4.3 Information and Communication Processes

Information and communication systems ensure that relevant information is identified, captured and communicated in a form and timeframe that enables people to carry out their responsibilities.

No.	Feature
1.	Scheduled Board and Management meetings are conducted at least quarterlyor on an ad hoc basis when required, to provide a forum for timely and transparent dialogue. Management updates the Board on significant changes in the external business environment.
2.	Financial, management, and other relevant reports are generated on a regular and consistent basis, enabling Management to perform financial and operational reviews for timely decision-making.
3.	These reports facilitate the Board and Management in assessing whether financial and operational results align with the Group's business objectives and goals.

4.4 Planning, Monitoring and Reporting Activities

Monitoring activities assess the quality of the Group's internal control performance over time.

No.	Feature
1.	The Board oversees business performance by reviewing regular, comprehensive, and up-to-date information from Management on finance, operations and market conditions. Action plans are formulated and finetuned to address key risk concerns.
2.	Based on the risk-based annual Internal Audit Plan approved by the Audit Committee, the Internal Audit function carries out scheduled and follow-up audits. Key audit matters, risk implications, recommendations and management's action plans are reported to the Audit Committee and Management, providing independent and balanced assurance on the adequacy and effectiveness of the risk management and internal control environment.
3.	Group policies and procedures are subject to periodic review and update by Management and operational divisions to factor in changes in business, operational, statutory and regulatory requirements.

5. SUSTAINABILITY-RELATED RISKS

In line with the expanded scope of the SORMIC Guide 2025, the Board has broadened its risk oversight to encompass emerging Environmental, Social and Governance ("ESG") and climate-related risks alongside traditional financial, operational and compliance risks.

The Group has integrated processes for identifying, assessing, and managing climate-related risks and opportunities into its overall risk management framework. This includes:

No.	Feature
1.	**Climate Risk Assessment**: The Group evaluates the potential implications of transition and physical risks on its strategy, operations and financial performance.
2.	**Scenario Analysis**: The Group conducts scenario planning to assess the impact of climate-related risks.
3.	**Sustainability Reporting**: The Group's Sustainability Statement, prepared in accordance with the National Sustainability Reporting Framework ("NSRF") aligned with IFRS S1 and IFRS S2, provides further details on the governance, strategy and management of sustainability-related risks and opportunities.

5.1 NSRF Compliance Roadmap

In accordance with the phased implementation approach under the NSRF, the Group is classified under Group 2 (Main Market listed issuers with market capitalisation below RM2 billion). Accordingly, compliance with the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) will take effect for the financial year ending 31 March 2027, being the first annual reporting period beginning on or after 1 January 2026.

In preparation for the inaugural NSRF-compliant Sustainability Statement for the financial year 2027, the Group has embarked on the following preparatory initiatives:

No.	Initiative
1.	**Capacity Building**: Training and upskilling of internal teams on sustainability reporting requirements, data collection, and disclosure processes.
2.	**Data Systems Enhancement**: Strengthening data governance and information systems to capture, manage, and report sustainability-related metrics in accordance with IFRS standards.
3.	**Gap Analysis**: Conducting assessments of current sustainability disclosures against the requirements of IFRS S1 and IFRS S2 to identify and address gaps.
4.	**Internal Controls**: Embedding sustainability-related risks and controls into the Group's existing risk management and internal control systems.

5.2 Transitional Reliefs

For the initial reporting year (FY2027), the Group intends to apply the Additional Transitional Reliefs available under the NSRF, which include:

No.	Relief	Description
1.	**Climate-Only Disclosure**	The Group will focus on disclosing information on climate-related risks and opportunities in accordance with IFRS S2, rather than the full scope of IFRS S1, for the first two years of application.
2.	**Principal Segments Focus**	Climate-related disclosures will initially be limited to the Group's principal business segments.
3.	**Deferral of Scope 3 Emissions**	The Group will defer the disclosure of Scope 3 greenhouse gas (GHG) emissions, subject to any future regulatory requirements.

The Group is committed to progressing towards full compliance with IFRS S1 and IFRS S2 over the transitional period. The Board and Management will continue to monitor developments in sustainability reporting requirements and adjust the Group's approach accordingly to ensure timely and transparent disclosure to stakeholders.

6. REVIEW BY INTERNAL AUDITOR

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

6.1 Internal Auditor's Profile and Independence

The Group's internal audit function is led by Mr. Tan Sio Hui, who serves as the Head of Internal Audit for the financial year ended 31 March 2026.

Mr. Tan is a Chartered Accountant with the Malaysian Institute of Accountants ("MIA") since May 2014. He has been an Associate Member of the Institute of Internal Auditors Malaysia ("IIAM") since February 2011 and subsequently a Professional Member post January 2022. Mr. Tan is also an ASEAN Chartered Professional Accountant ("ASEAN CPA") and a Member of the Institute of Public Accountants ("IPA"). He brings over 15 years' experience in internal auditing, treasury management, indirect tax and finance across hospitality, gaming and utilities sectors.

The current team member ("the team") is also active member of the Institute of Internal Auditors, hence discharging their duties with independence and objectivity in all aspects of his work. The team is and are free from any relationship or conflicts of interest that could impair, or could reasonably be perceived to impair, their independent judgment in carrying out the internal audit function. The team does not have any direct or indirect interest in the Group's business, operations, or financial affairs that would compromise his ability to provide unbiased and objective assurance to the Audit Committee and the Board.

The Internal Audit Department has direct and unrestricted access to the Audit Committee, ensuring that findings, recommendations, and concerns are communicated without undue influence or interference from Management. This reporting structure further safeguards the independence and effectiveness of the internal audit function.

7. REVIEW BY EXTERNAL AUDITORS

For the financial year ended 31 March 2026, the External Auditors performed a limited assurance engagement to report on this Statement for inclusion in the Annual Report. They reported to the Board that, to their best knowledge, nothing has come to their attention that causes them to believe that this Statement has not been prepared, in all material aspects, in accordance with the disclosure requirement set out in Section 7 of the Statement of Risk Management and Internal Control ("SORMIC") Guide 2025, nor that it was factually inaccurate.

In accordance with Malaysian Approved Standards on Assurance Engagements, ISAE 3000 (Revised) and AAPG 3, the engagement does not require the External Auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

8. CEO AND CFO ASSURANCES

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer confirming that the Group's risk management and internal control systems are operating adequately and effectively in all material respects for the financial year ended 31 March 2026.

9. CONCLUSION

The Board confirms that the processes for identifying, evaluating and managing the Group's principal and emerging risks, as well as the system of internal control, were in place throughout the financial year under review and up to the date of approval of this Statement.

For the financial year under review and up to the date of approval of this Statement, based on 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 identified.

The Board acknowledges that the risk management and internal control system must continuously evolve in tandem with changes and challenges in the external business environment. The Board and Management shall continue to review and implement appropriate measures to reinforce the Group's risk management and internal control environment.

This Statement was approved by the Board of Directors on 30 July 2026.