

PARLO BERHAD (formerly known as CYBERTOWERS BERHAD (385635-V))
QUARTERLY REPORT - FOURTH QUARTER

12 PART A2 :- SUMMARY OF KEY FINANCIAL INFORMATION				
Summary of Key Financial Information for the financial period ended 31 December 2017				
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
				(Restated)
1. Revenue	-	-	-	-
2. Profit/(Loss) before tax	2,348	(439)	1,960	(1,607)
3. Profit/(Loss) attributable to ordinary equity holders of the parent	1,905	(439)	1,517	(1,607)
4. Basic earnings/(loss) per share (sen)	1.96	(0.44)	1.53	(1.61)
5. Dividend per share	-	-	-	-
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING CORRESPONDING QUARTER	
6. Net assets per share (RM)	(0.75)		(0.09)	

PART A3 :- ADDITIONAL INFORMATION				
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
				(Restated)
1. Profit/(Loss) from operations	2,440	(391)	2,052	(1,559)
2. Gross interest income	-	-	-	-
3. Gross interest expense	(92)	(48)	(92)	(48)

PARLO BERHAD (formerly known as CYBERTOWERS BERHAD (385635-V))

Interim financial report for the fourth quarter ended 31 December 2017

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/12/2017 RM'000	PRECEDING YEAR QUARTER 31/12/2016 RM'000	CURRENT FINANCIAL YEAR 31/12/2017 RM'000	PRECEDING FINANCIAL YEAR 31/12/2016 RM'000
				(Restated)
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit/(loss)	-	-	-	-
Other income	3,560	-	3,562	-
Other operating and administrative expenses	(1,120)	(391)	(1,510)	(1,559)
Finance costs	(92)	(48)	(92)	(48)
Profit/(Loss) before tax	2,348	(439)	1,960	(1,607)
Taxation	(443)	-	(443)	-
Profit/(Loss) for the year/period	1,905	(439)	1,517	(1,607)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive profit/(loss) for the period	1,905	(439)	1,517	(1,607)
EPS/(LPS) - Basic (Sen)	1.96	(0.44)	1.53	(1.61)

Note:

There were no depreciation, amortisation, provision for or write off of receivables or inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, foreign exchange gain or loss and/or gain or loss on derivatives or exceptional items.

The condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

PARLO BERHAD (formerly known as CYBERTOWERS BERHAD (385635-V))
QUARTERLY REPORT - FOURTH QUARTER

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	AS AT END OF CURRENT QUARTER 31/12/2017 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR 31/12/2016 RM'000 (Audited) (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	-	-
	<u>-</u>	<u>-</u>
Current assets		
Inventories	-	-
Trade receivables	-	-
Other receivables, deposits & prepayments	472	1
Fixed deposits with licensed banks	-	-
Cash and bank balances	166	41
	<u>638</u>	<u>42</u>
TOTAL ASSETS	<u>638</u>	<u>42</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade Payables	-	-
Other Payables and accruals	7,743	9,107
Tax Payable	443	-
Amount owing to a director	-	-
Amount owing to a substantial shareholder	-	-
	<u>8,186</u>	<u>9,107</u>
NET CURRENT LIABILITIES	<u>(7,548)</u>	<u>(9,065)</u>
TOTAL LIABILITIES	<u>8,186</u>	<u>9,107</u>
NET LIABILITIES	<u>(7,548)</u>	<u>(9,065)</u>
Equity attributable to owners of the parent		
Share Capital	1,000	10,000
Share Premium	2,032	2,032
Reserves	(10,580)	(21,097)
	<u>(7,548)</u>	<u>(9,065)</u>
Minority Interest	-	-
TOTAL EQUITY	<u>(7,548)</u>	<u>(9,065)</u>
TOTAL EQUITY and LIABILITIES	<u>638</u>	<u>42</u>
Number of ordinary shares in issue ('000)	10,000	100,000
Net liabilities per share attributable to ordinary equity holders of the company (RM)	(0.75)	(0.09)

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

PARLO BERHAD (formerly known as CYBERTOWERS BERHAD (385635-V))**Interim financial report for the fourth quarter ended 31 December 2017**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current YTD 31/12/2017 (Unaudited) RM'000	Preceding YTD 31/12/2016 (Audited) RM'000 (Restated)
OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,960	(1,607)
Adjustments for non-cash flow:		
Waiver of Debts	(3,128)	-
Interest expense	92	48
	<hr/>	<hr/>
Operating loss before changes in working capital	(1,076)	(1,559)
Inventories	-	-
Receivables	(472)	1,504
Payables	1,673	-
	<hr/>	<hr/>
Cash generated from/(used in) operations	125	(55)
Interest paid	-	(48)
	<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities	125	(103)
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	125	(103)
Effect of exchange rate changes on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	41	144
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	166	41
	<hr/> <hr/>	<hr/> <hr/>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	166	41
	<hr/>	<hr/>
	166	41
	<hr/> <hr/>	<hr/> <hr/>

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

PARLO BERHAD (formerly known as CYBERTOWERS BERHAD (385635-V))**Interim financial report for the fourth quarter ended 31 December 2017**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Accumulated losses</u>	<u>Total Equity</u>
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2017	10,000	2,032	(21,097)	(9,065)
Share Consolidation	(9,000)	-	9,000	-
Total comprehensive profit/(loss) for the period	-	-	1,517	1,517
As at 31 December 2017	<u>1,000</u>	<u>2,032</u>	<u>(10,580)</u>	<u>(7,548)</u>
As at 1 January 2016	10,000	2,032	(19,490)	(7,458)
Total comprehensive profit/(loss) for the period	-	-	(1,813)	(1,813)
Prior year adjustment*	-	-	206	206
Sub-total	-	-	(1,607)	(1,607)
As at 31 December 2016	<u>10,000</u>	<u>2,032</u>	<u>(21,097)</u>	<u>(9,065)</u>

* Please refer to Note A15 of the Notes to the interim financial report.

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**PARLO BERHAD (FORMERLY KNOWN AS CYBERTOWERS BERHAD) (385635-V) (“PARLO”)
QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial reports have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and Rule 9.22 of Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Listing Requirements for the ACE Market. The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended (“FYE”) 31 December 2016.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries (“Group”) since the FYE 31 December 2016.

The accounting policies and methods of computation adopted in these interim financial statements of the Group are consistent with those adopted for the audited financial statements for the FYE 31 December 2016.

A2 Changes in Accounting Policies

The accounting policies applied by the Group in this unaudited condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements for the FYE 31 December 2016.

A3 Audit report of preceding annual financial statements

The auditors’ report on the financial statements for the FYE 31 December 2016 contains a disclaimer of opinion by the external auditors. Nevertheless, the Company’s Regularisation Plan as set out in Note B6(i) was completed on 18 January 2018.

A4 Seasonal or cyclical factors

The Group’s operations were not subject to any seasonal or cyclical changes.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual reporting year’s audited financial statements.

A6 Material changes in estimates

There were no changes in estimates of amounts reported in the prior financial year, which have a material effect in the current financial quarter and financial year-to-date.

A7 Debt and equity securities

Pursuant to the Regularisation Plan (as detailed in Note B6(i)), the Company completed the following during the current financial quarter:

- (i) Reduction of its issued share capital pursuant to Section 116 of the Companies Act 2016 involving the cancellation of RM9,000,000 of the issued share capital of Parlo (“Share Capital Reduction”) on 13 December 2017; and
- (ii) Consolidation of 10 ordinary shares in Parlo after the Share Capital Reduction into 1 new ordinary share in Parlo (“Parlo Share(s)” or “Share(s)”) (“Share Consolidation”) on 29 December 2017.

Save as disclosed above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial year-to-date.

A8 Dividend paid

No dividends have been declared or paid in this quarter and financial year-to-date.

A9 Segment information

There was no revenue recorded for the current quarter and financial year-to-date thus no segmental information is provided.

A10 Valuation of property, plant and equipment

There was no property, plant and equipment reported in the previous audited financial statements and in the current financial quarter and financial year-to-date under review.

A11 Material events subsequent to the end of the quarter

Save for the issuance of shares pursuant to the Acquisition, Debt Settlement and Private Placement as detailed in Note B6(i) and as set out in Notes B7 and B9, there were no other material events subsequent to the current financial quarter ended 31 December 2017 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date.

A13 Contingent liabilities and capital commitments

There were no material contingent liabilities and capital commitments as at the date of this announcement.

A14 Significant Related Party Transaction

There were no significant related party transactions as at the date of this announcement.

A15 Prior Year Adjustments

In the previous financial year, the Group has over recognised the administrative expenses. The effects of these adjustments are as follows:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
2016			
Statement of financial position			
Other payables	(9,313)	206	(9,107)
Accumulated losses	21,303	(206)	21,097
	<hr/>	<hr/>	<hr/>
Statement of comprehensive income			
Administrative expenses	1,765	(206)	1,559
	<hr/>	<hr/>	<hr/>

B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS FOR THE ACE MARKET

B1 Review of performance

	Individual quarter		Changes %	Cumulative quarter		Changes %
	31/12/2017 RM'000	31/12/2016 RM'000		31/12/2017 RM'000	31/12/2016 RM'000	
Revenue	-	-	-	-	(Restated) -	-
Operating profit/(loss)	2,440	(391)	>100	2,052	(1,559)	>100
Profit/(Loss) before tax	2,348	(439)	>100	1,960	(1,607)	>100
Profit/(Loss) after tax	1,905	(439)	>100	1,517	(1,607)	>100
Profit/(Loss) attributable to ordinary equity holders of the Company	1,905	(439)	>100	1,517	(1,607)	>100

For the current fourth quarter ended 31 December 2017, the Group recorded nil revenue and a profit before tax of RM2.35 million while reporting nil revenue and a loss before tax of RM0.44 million for the preceding year corresponding quarter ended 31 December 2016. The profit was mainly from the waiver of debt owing to Fong Shu Cheung of RM2.39 million pursuant to the Debt Settlement of the Regularisation Plan (as detailed in Note B6(i)).

B2 Comparison of current financial quarter's results with immediate preceding quarter's results

	Individual quarter		Changes %
	31/12/2017 RM'000	30/9/2017 RM'000	
Revenue	-	-	-
Operating profit/(loss)	2,440	(200)	>100
Profit/(Loss) before tax	2,348	(200)	>100
Profit/(Loss) after tax	1,905	(200)	>100
Profit/(Loss) attributable to ordinary equity holders of the Company	1,905	(200)	>100

For the current fourth quarter ended 31 December 2017, the Group recorded nil revenue and a profit before tax of RM2.35 million while reporting nil revenue and a loss before tax of RM0.20 million for the immediate preceding quarter ended 30 September 2017. The profit was mainly from the waiver of debt owing to Fong Shu Cheung of RM2.39 million pursuant to the Debt Settlement of the Regularisation Plan (as detailed in Note B6(i)). The loss before tax of RM0.20 million in the quarter ended 30 September 2017 was attributable to professional fees incurred for the Regularisation Plan.

B3 Prospects

The Group completed the Regularisation Plan (as detailed in Note B6(i)) on 18 January 2018. Parlo's Guidance Note 3 ("GN 3") status and suspension on the trading of its Shares were uplifted on the same day.

The Group's new business is in the provision of travel, travel related and ancillary products and services as well as meetings, incentives, conferences and events ("MICE"). The Group (under its new main operating subsidiary, Parlo Tours Sdn Bhd ("Parlo Tours")) is an established travel management and services group, with over 30 years of experience in the travel and tours business. Parlo Tours is licensed by the Ministry of Tourism and Culture Malaysia for inbound, outbound and ticketing services.

With the completion of the Regularisation Plan, the Board is optimistic that the prospects of the Group will be favourable.

B4 Variance from profit forecast and profit guarantee

The Group did not provide any profit forecast and profit guarantee and thus this is not applicable to the Group.

B5 Taxation

	Current quarter		Year-to-date	
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
Current taxation				
- Current year	443	-	443	-
- Prior year	-	-	-	-
Deferred taxation	-	-	-	-
	443	-	443	-

The Group's effective tax rate for the current financial quarter and financial year to-date were lower than the statutory tax rate due to utilisation of unabsorbed tax losses. The Group was recording losses for the previous financial quarters in the current financial year thus no provision for tax was made then.

B6 Status of corporate proposals**(i) Regularisation Plan**

On 15 December 2015, the Company entered into a Memorandum of Agreement with the vendors of Parlo Tours to implement a new Regularisation Plan in relation to GN 3 of the Listing Requirements involving, among others, the acquisition of Parlo Tours; after discontinuing the previous regularisation plan.

On 17 December 2015, TA Securities Holdings Berhad ("TA Securities") submitted on behalf of our Board an application to Bursa Securities seeking its approval for an extension of time up to 29 April 2016 (which was subsequently approved by Bursa Securities) to submit the new Regularisation Plan.

On 18 March 2016, TA Securities announced on behalf of the Board that the Company proposes to implement the Regularisation Plan comprising the following to regularise its financial condition:

- (I) Share Capital Reduction;
- (II) Share Consolidation;
- (III) Acquisition;
- (IV) Exemption;
- (v) Debt Settlement;
- (VI) Private Placement;
- (VII) Increase In Authorised Share Capital; and
- (VIII) Amendments

On 29 April 2016, TA Securities announced on behalf of the Board that the Company has submitted an application to Bursa Securities for the following:

- (a) Regularisation Plan;
- (b) Listing of and quotation for the Consideration Shares;
- (c) Listing of and quotation for the Settlement Shares; and
- (d) Listing of and quotation for the Placement Shares

On 25 October 2016, TA Securities announced on behalf of the Board that Bursa Securities had, vide its letter dated 25 October 2016, resolved to approve the Regularisation Plan.

Bursa Securities has also resolved to approve the admission to the Official List and the listing of:

- (i) 250,000,000 new Parlo Shares to be issued pursuant to the Acquisition;
- (ii) 20,025,570 new Parlo Shares to be issued pursuant to the Debt Settlement; and
- (iii) Up to 84,007,600 new Parlo Shares to be issued pursuant to the Private Placement.

On 3 November 2016, TA Securities announced on behalf of the Board that the Securities Commission Malaysia (“SC”) had vide its letter dated 1 November 2016 (which was received on 2 November 2016) approved the application for the resultant equity structure of Parlo under the equity requirement for public listed companies pursuant to its Regularisation Plan. The said approval is subject to Parlo ensuring that at least 12.5% of its enlarged issued and paid-up capital is allocated to or held by Bumiputra investors recognized by Ministry of International Trade and Industry within 1 year after registering a profit and or 3 years after the implementation of the Regularisation Plan, whichever is earlier.

On 11 November 2016, TA Securities announced on behalf of the Board that Bursa Securities had, vide its letter dated 10 November 2016 decided to grant the Company an extension of time to issue the Circular within two (2) weeks from the receipt of the SC’s consent for the draft independent advice letter to the non-interested shareholders of Parlo in relation to the Exemption.

On 20 July 2017, the SC gave notification that it had no further comments to the contents of the draft Independent Advice Letter by DWA Advisory Sdn Bhd for the Exemption. On 2 August 2017, Parlo announced the Notice of the extraordinary general meeting (“EGM”) for the EGM to be held on 2 September 2017 and the Circular was issued on 3 August 2017. The shareholders approved all the resolutions as set out in the Notice of EGM at the EGM on 2 September 2017.

On 14 September 2017, our legal counsel filed a petition to the High Court of Malaya, Kuala Lumpur in relation to the Share Capital Reduction.

On 9 October 2017, an application was submitted to Bursa Securities for an extension of time of up to 24 January 2018 to complete the Regularisation Plan and this was approved on 13 October 2017.

On 23 November 2017, the SC gave approval for the Exemption on the mandatory takeover by Thirty Keystone Sdn Bhd and the persons acting in concert with it (i.e., the vendors of Parlo Tours).

On 5 December 2017, the order was granted by the High Court confirming the Share Capital Reduction.

On 13 December 2017, the Share Capital Reduction was completed upon the lodgement of an office copy of the sealed order granted by the High Court. The announcement of books closure date for the Share Consolidation was made on the same day.

On 29 December 2017, the Share Consolidation was completed upon the listing of and quotation for the consolidated shares on the ACE Market of Bursa Securities.

On 5 January 2018, TA Securities announced on behalf of the Board the price fixing for the Placement Shares.

On 18 January 2018, the Acquisition, Debt Settlement and Private Placement were completed with the listing of and quotation for the Consideration Shares, Settlement Shares and Placement Shares, respectively on the ACE Market of Bursa Securities thus the completion of the Regularisation Plan. Parlo's GN 3 status and suspension on the trading of its Shares were uplifted on the same day.

(ii) Memorandums of understanding

On 4 October 2016, the Company's two wholly-owned subsidiaries, Nautical Angle Sdn Bhd ("NASB") and Imagine Data Sdn Bhd ("IDSB") entered into 2 separate memorandums of understanding with Travel Ideas Online Sdn Bhd ("TIO") and Daffah Travel Services Sdn Bhd (formerly known as Era Persada Travel Services Sdn Bhd) ("DTS") respectively for:

- NASB to subscribe for 225,000 ordinary shares of RM1.00 each in TIO upon the terms and conditions to be agreed between NASB and TIO; and
- IDSB to subscribe for 300,000 ordinary shares of RM1.00 each in DTS upon the terms and conditions to be agreed between IDSB and DTS.

On 17 March 2017, NASB and TIO mutually agreed to extend the period for the parties to enter into a concluded contract ("Completion Date of the MOU") to 30 September 2017 for the above. On 29 September 2017, NASB and TIO mutually agreed to further extend the Completion Date of the MOU to 28 February 2018.

On 17 March 2017, IDSB and DTS mutually agreed to extend the period for the parties to enter into a concluded contract to 30 September 2017 for the above. However, the parties subsequently decided not to proceed further thus the memorandum of understanding between IDSB and DTS was deemed mutually terminated with effect from 1 October 2017 with no further legal or contractual effect.

B7 Status of utilisation of proceeds raised from the Private Placement

	Proposed utilisation RM'000	Actual utilisation as at 12 February 2018 RM'000	Intended timeframe for utilisation	Remaining balance RM'000	Explanation
Working capital	5,601	200	Within 12 months	5,401	*
Estimated expenses in relation to the Regularisation Plan	2,800	2,900	Within 1 month	(100)	*
Total	8,401	3,100		5,301	

Note:

* The shortfall of estimated expenses was adjusted from the amount allocated for working capital purposes.

B8 Group's borrowings and debt securities

As at 31 December 2017, there was an amount owing to a former shareholder namely Fong Shu Cheung which amounted to RM2,002,557. The amount owing was unsecured, interest-free and repayable on demand.

Pursuant to the Regularisation Plan (as detailed in Note B6(i)), the amount owing was fully settled via the issuance of 20,025,570 new Parlo Shares at an issue price of RM0.10 per Share.

B9 Off-balance sheet financial instruments

There was no financial instrument with off-balance sheet risk as at the date of this announcement.

B10 Material litigation

There was no material litigation in this quarter and financial year-to-date.

B11 Dividends

No dividends have been declared or paid in this quarter and financial year-to-date.

B12 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year to date	Preceding Year to date
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
(a) Basic earnings per share				(Restated)
Profit / (Loss) for the period (RM'000)	1,905	(439)	1,517	(1,607)
Weighted average number of ordinary shares issued	97,065,217	100,000,000	99,260,274	100,000,000
Basic earnings / (loss) per share (sen)	1.96	(0.44)	1.53	(1.61)
(b) Diluted earnings per share	N/A	N/A	N/A	N/A

BY ORDER OF THE BOARD,

CHUA SIEW CHUAN
(MAICSA 0777689 PRACTITIONER)
COMPANY SECRETARY

14 February 2018