

PARLO BERHAD (FORMERLY KNOWN CYBERTOWERS BERHAD) (385635-V)
Interim financial report for the 1st quarter ended 31 March 2018

PART A2 :- SUMMARY OF KEY FINANCIAL INFORMATION				
Summary of Key Financial Information for the financial period ended 31 March 2018				
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/3/2018 RM'000	31/3/2017* RM'000	31/3/2018 RM'000	31/3/2017* RM'000
1. Revenue	32,874	N/A	32,874	N/A
2. Profit / (Loss) before tax	(1,576)	N/A	(1,576)	N/A
3. Profit / (Loss) attributable to ordinary equity holders of the Company	(1,576)	N/A	(1,576)	N/A
4. Basic earnings / (loss) per share (sen)	(0.53)	N/A	(0.53)	N/A
5. Dividend per share	-	N/A	-	N/A
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING CORRESPONDING QUARTER	
6. Net assets per share (RM)	0.09		N/A	

PART A3 :- ADDITIONAL INFORMATION				
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/3/2018 RM'000	31/3/2017* RM'000	31/3/2018 RM'000	31/3/2017* RM'000
1. Profit / (Loss) from operations	(1,545)	N/A	(1,545)	N/A
2. Gross interest income	9	N/A	9	N/A
3. Gross Interest expense	(30)	N/A	(30)	N/A

* This is the 1st interim financial report for the 1st quarter ended 31 March 2018 announced by the Company after the completion of the regularisation plan and upliftment of its Guidance Note 3 ("GN 3") status on 18 January 2018. There are no comparative figures for the preceding year's individual quarter and cumulative period presented due to the reverse acquisition of the Company by Parlo Tours Sdn Bhd ("**Parlo Tours**") as explained in Note A2. Parlo Tours being a private company was not required and therefore had not prepared any interim financial statements prior to the reverse acquisition.

N/A denotes not available.

PARLO BERHAD (FORMERLY KNOWN CYBERTOWERS BERHAD) (385635-V)

Interim financial report for the 1st quarter ended 31 March 2018

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2018 RM'000	PRECEDING YEAR QUARTER 31/3/2017* RM'000	CURRENT FINANCIAL YEAR 31/3/2018 RM'000	PRECEDING FINANCIAL YEAR 31/3/2017* RM'000
Revenue	32,874	N/A	32,874	N/A
Cost of sales	(29,667)	N/A	(29,667)	N/A
Gross profit	3,207	N/A	3,207	N/A
Other operating income	233	N/A	233	N/A
Administrative expenses	(4,985)	N/A	(4,985)	N/A
Profit/(Loss) from operations	(1,545)	N/A	(1,545)	N/A
Finance costs	(31)	N/A	(31)	N/A
Profit/(Loss) before taxation	(1,576)	N/A	(1,576)	N/A
Taxation	-	N/A	-	N/A
Profit/(Loss) after taxation	(1,576)	N/A	(1,576)	N/A
Other comprehensive income net of tax	(1,576)	N/A	(1,576)	N/A
Total comprehensive income for the period	(1,576)	N/A	(1,576)	N/A
Profit/(Loss) attributable to:				
Owners of the Company	(1,576)	N/A	(1,576)	N/A
Non-controlling Interest	-	N/A	-	N/A
	(1,576)	N/A	(1,576)	N/A
Total comprehensive income attributable to:				
Owners of the Company	(1,576)	N/A	(1,576)	N/A
Non-controlling interest	-	N/A	-	N/A
	(1,576)	N/A	(1,576)	N/A
Basic earnings per share (sen)	(0.53)	N/A	(0.53)	N/A
Diluted earnings per share (sen)	Not applicable	N/A	Not applicable	N/A

The condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

* This is the 1st interim financial report for the 1st quarter ended 31 March 2018 announced by the Company after the completion of the regularisation plan and upliftment of its GN 3 status on 18 January 2018. There are no comparative figures for the preceding year's individual quarter and cumulative period presented due to the reverse acquisition of the Company by Parlo Tours as explained in Note A2. Parlo Tours being a private company was not required and therefore had not prepared any interim financial statements prior to the reverse acquisition.

Diluted EPS was not applicable as there were no potential ordinary shares in issue for the current quarter and cumulative period.

N/A denotes not available.

PARLO BERHAD (FORMERLY KNOWN CYBERTOWERS BERHAD) (385635-V)**Interim financial report for the 1st quarter ended 31 March 2018**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	AS AT END OF CURRENT QUARTER 31/3/2018 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR 31/12/2017* RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	5,666	N/A
Goodwill on consolidation	10,369	N/A
	16,035	N/A
Current assets		
Trade and other receivables	48,903	N/A
Tax recoverable	5,049	N/A
Financial assets at fair value through profit or loss	308	N/A
Fixed deposit with a licensed bank	1,361	N/A
Cash and bank balances	7,035	N/A
	62,656	N/A
TOTAL ASSETS	78,691	N/A
EQUITY AND LIABILITIES		
LIABILITIES		
Current liabilities		
Trade payables and other payables	46,500	N/A
Borrowings	608	N/A
Tax payable	442	N/A
	47,550	N/A
NET CURRENT ASSETS	31,141	N/A
Non-current liabilities		
Deferred tax liabilities	213	N/A
Borrowings	1,158	N/A
	1,371	N/A
Equity attributable to owners of the Company		
Share capital	38,435 [^]	N/A
Reserves	(23,093)	N/A
Retained earnings	14,428	N/A
TOTAL EQUITY	29,770	N/A
TOTAL EQUITY and LIABILITIES	31,141	N/A
Number of ordinary shares in issue ('000)	364,033	N/A
Net assets per share attributable to ordinary equity (RM)	0.09	N/A

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

[^] The Companies Act 2016 ("Act") which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account (of RM2,032,070) became part of the Company's share capital pursuant to the transition set out in Section 618(2) of the Act.

PARLO BERHAD (FORMERLY KNOWN CYBERTOWERS BERHAD) (385635-V)**Interim financial report for the 1st quarter ended 31 March 2018**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current YTD 31/3/2018 (Unaudited) RM'000	Preceding YTD 31/3/2017* (Unaudited) RM'000
Cash flows from operating activities		
Profit/(Loss) before taxation	(1,576)	N/A
Adjustments for:		
Depreciation	103	N/A
Interest expense	30	N/A
Interest income	(9)	N/A
Operating profit before working capital changes	<u>(1,452)</u>	<u>N/A</u>
(Increase) / Decrease in working capital:		
Trade receivables	(8,694)	N/A
Other receivables	(930)	N/A
Trade payables	(1,596)	N/A
Other payables	<u>10,486</u>	<u>N/A</u>
Cash generated from / (used in) operations	(2,186)	N/A
Taxation paid	(1,049)	N/A
Taxation refund		N/A
Interest received	9	N/A
Interest paid	<u>(30)</u>	<u>N/A</u>
Net cash generated from / (used in) operating activities	<u>(3,256)</u>	<u>N/A</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(85)	N/A
Cash acquired from reversed acquisition	<u>166</u>	<u>N/A</u>
Net cash used in investing activities	<u>81</u>	<u>N/A</u>
Cash flows from financing activities		
Issuance of share capital pursuant to private placement	8,401	N/A
Repayment of bank borrowings	<u>(106)</u>	<u>N/A</u>
Net cash (used in) / generated from financing activities	<u>8,295</u>	<u>N/A</u>
Net increase / (decrease) in cash and cash equivalents	5,120	N/A
Cash and cash equivalents at beginning of the financial period	<u>3,276</u>	<u>N/A</u>
Cash and cash equivalents at end of the financial period	<u><u>8,396</u></u>	<u><u>N/A</u></u>
Cash and cash equivalents at end of the financial period comprises:		
Cash and bank balances	7,035	N/A
Fixed deposits with licensed banks	<u>1,361</u>	<u>N/A</u>
	<u><u>8,396</u></u>	<u><u>N/A</u></u>

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

PARLO BERHAD (FORMERLY KNOWN CYBERTOWERS BERHAD) (385635-V)**Interim financial report for the 1st quarter ended 31 March 2018**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Reverse Acquisition Reserve</u>	<u>Revaluation Reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2017 and 1 January 2018	1,600	-	2,377	16,004	19,981
Issuance of shares:					
- Private Placement	8,401	-	-	-	8,401
- Debt Settlement	2,002	-	-	-	2,002
- Acquisition of subsidiary	25,000	(25,000)	-	-	-
Reverse acquisition	1,432	(470)	-	-	962
Total comprehensive profit / (loss) for the period	-	-	-	(1,576)	(1,576)
As at 31 March 2018	<u>38,435</u>	<u>(25,470)</u>	<u>2,377</u>	<u>14,428</u>	<u>29,770</u>
As at 31 December 2016 and 1 January 2017	N/A	N/A	N/A	N/A	N/A
Total comprehensive profit for the period	N/A	N/A	N/A	N/A	N/A
As at 31 March 2017*	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

**PARLO BERHAD (FORMERLY KNOWN AS CYBERTOWERS BERHAD) (385635-V)
("COMPANY" OR "PARLO")**

QUARTERLY REPORT FOR THE 1ST QUARTER ENDED 31 MARCH 2018

A NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1 Basis of preparation

The interim financial statements 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 2017.

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 ("**Parlo Group**" or "**Group**") since the FYE 31 December 2017.

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 2017.

A2 Changes in accounting policies

The accounting policies applied by the Parlo Group in the unaudited condensed consolidated interim financial statements are consistent with those applied by the Group in its audited financial statements for the FYE 31 December 2017. In addition, the following accounting policy was adopted:

MFRS 3: Business Combinations – Reverse Acquisition Accounting

On 18 March 2016, the Company entered into a share sale agreement, for the acquisition of the entire equity interest in Parlo Tours Sdn Bhd ("**Parlo Tours**") for a total purchase consideration of RM25.0 million to be satisfied via the issuance of 250,000,000 new ordinary shares in the Company ("**Parlo Shares**" or "**Shares**") at an issue price of RM0.10 per Share ("**Consideration Shares**") after the Share Consolidation (as defined in Note B6(i)) ("**Acquisition**").

MFRS 3: Business Combinations applies to the Acquisition whereby an acquirer shall be identified for all business combinations and the acquirer is defined as the combining entity that obtains control of the other combining entities or businesses.

Under the Acquisition which was completed on 18 January 2018, Parlo Tours was the accounting acquirer (despite its equity interests was acquired) and the Company, the legal acquirer and issuing entity was the accounting acquiree as the vendors of Parlo Tours (accounting acquirer) controlled the combined entities after the Acquisition. Under this circumstance, the Acquisition was accounted for as a reverse acquisition.

Under reverse acquisition accounting, the Group's consolidated statements represent a continuation of the financial statements of the legal subsidiary, Parlo Tours.

Accordingly, no comparative figures are presented for the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Financial Position and Condensed Consolidated Statement of Cash Flows and Condensed Consolidated Statement of Changes in Equity as Parlo Tours being a private company was not required and therefore had not prepared any interim financial statements prior to the Acquisition.

A3 Audit report of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2017 was not subject to any qualification.

A4 Seasonal or cyclical factors

The demand for the Parlo Group's products and services is subjected to seasonal variations annually depending on the contribution of the Group's leisure travel and corporate travel businesses. As such, its seasonal patterns have been fairly consistent each year where revenue and profits for the 1st quarter of the year are generally lower, increase from the 2nd quarter of the year and peak in the 4th quarter of the year.

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 for the current financial quarter and financial period-to-date.

A6 Material changes in estimates

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

A7 Debt and equity securities

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

- (i) Acquisition;
- (ii) Full and final settlement of the amount owing to Fong Shu Cheung of RM4,391,935 via the issuance of 20,025,570 new Parlo Shares at an issue price of RM0.10 per Share ("**Settlement Shares**") after the Share Consolidation (as defined in Note B6(i)) ("**Debt Settlement**"); and
- (iii) Private Placement of 84,007,600 new Parlo Shares ("**Placement Shares**") at an issue price of RM0.10 per Placement Share to selected investors identified after the Acquisition and Debt Settlement ("**Private Placement**").

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 period-to-date.

A8 Dividend paid

No dividends have been declared or paid in the current financial quarter and financial period-to-date.

A9 Segment information

The Parlo Group is organised into the following business units based on its products and services provided:

For the quarter ended 31 March 2018:

Revenue	Investment holding RM'000	Travel and tours RM'000	MICE RM'000	Consolidated RM'000
External sales	-	29,866	3,008	32,874

Results	Investment holding RM'000	Travel and tours RM'000	MICE RM'000	Consolidated RM'000
Segment results	(667)	(1,056)	(55)	(1,778)
Other operating income	2	220	11	233
Finance costs	-	(31)	-	(31)
Profit / (Loss) before taxation "PBT" / ("LBT")	(665)	(867)	(44)	(1,576)
Taxation	-	-	-	-
Profit / (Loss) after taxation "PAT" / ("LAT")	(665)	(867)	(44)	(1,576)

There is no segmental information available for the assets and liabilities of the Group.

Note:

This is the 1st interim financial report for the 1st quarter ended 31 March 2018 announced by the Company after the completion of the Regularisation Plan (as set out in Note B6(i)) and upliftment of its previous Guidance Note 3 ("GN 3") status on 18 January 2018. There are no comparative figures for the preceding year's individual quarter and cumulative period presented due to the reverse acquisition of the Company by Parlo Tours as explained in Note A2. Parlo Tours being a private company had not prepared any interim financial statements prior to the reverse acquisition.

A10 Valuation of property, plant and equipment

There was no valuation of property, plant and equipment reported in the current financial quarter and financial period-to-date under review.

A11 Material events subsequent to the end of the quarter

There were no material events subsequent to the current financial quarter ended 31 March 2018 up to 25 May 2018, being the latest practicable date of this report ("LPD"), which is likely to substantially affect the results of the operations of the Group.

A12 Changes in the composition of the Group

On 18 January 2018, the Parlo Group completed its Regularisation Plan (as set out in Note B6(i)) and its previous GN 3 status was uplifted on the same day.

As a result, Parlo Tours and its subsidiaries (namely Bluu Travel Pack Sdn Bhd and Parlo Global Marketing Sdn Bhd) ("**Parlo Tours Group**") are now wholly-owned subsidiaries of Parlo.

On 28 February 2018, Parlo announced the proposed subscription of 350,000 new ordinary shares in Travel Ideas Online Sdn Bhd ("**Travel Ideas**") for a cash consideration of RM700,000 which would result in Travel Ideas becoming a 70%-owned subsidiary of Parlo via its wholly-owned subsidiary, Pioneer Streams Consolidated Sdn Bhd ("**Pioneer Streams**") ("**Proposed Subscription**") upon completion. The remaining 30% equity interest in Travel Ideas will continue to be held by the existing shareholders and directors. On 27 April 2018, Pioneer Streams entered into a letter of extension with Travel Ideas to mutually agree to extend the date the conditions precedent to be fulfilled and / or obtained from 30 April 2018 to 29 May 2018. The last of the conditions precedent to the subscription agreement were fulfilled on 28 May 2018. According to the subscription agreement, the said agreement shall be completed within 10 working days from 28 May 2018.

On 12 March 2018, Parlo announced that Nautical Angle Sdn Bhd ("**Nautical Angle**"), a wholly-owned subsidiary of Parlo had on 12 March 2018 entered into a conditional share sale agreement ("**SSA**") with Regina Marie a/p Victor Solomon and Victoria a/p Rasiah to acquire the entire issued share capital of RK Travels of RM250,000 comprising 250,000 ordinary shares in RK Travels for a cash consideration of RM160,000 ("**Proposed Acquisition of RK Travels**"). The completion of the Proposed Acquisition of RK Travels is pending the fulfillment of the conditions precedent to the SSA.

Save as disclosed above, there were no other changes in the composition of the Group during the current financial quarter and financial period-to-date.

A13 Contingent liabilities and capital commitments

There were no material contingent liabilities as at the LPD.

Save for the Proposed Acquisition of RK Travels and the Proposed Subscription, there were no other capital commitments as at the LPD.

A14 Significant related party transaction

There were no significant related party transactions as at the LPD.

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

B1 Review of performance

	Individual quarter		Changes %	Cumulative quarter		Changes %
	31/3/2018 RM'000	31/3/2017 RM'000		31/3/2018 RM'000	31/3/2017 RM'000	
Revenue	32,874	N/A	N/A	32,874	N/A	N/A
Profit / (Loss) from operations	(1,545)	N/A	N/A	(1,545)	N/A	N/A
PBT / (LBT)	(1,576)	N/A	N/A	(1,576)	N/A	N/A
PAT / (LAT)	(1,576)	N/A	N/A	(1,576)	N/A	N/A
Profit / (Loss) attributable to ordinary equity holders of the Company	(1,576)	N/A	N/A	(1,576)	N/A	N/A

N/A denotes not available

The revenue of the Parlo Group for the financial period ended (“**FPE**”) 31 March 2018 of RM32.874 million was derived entirely by its main operating subsidiary, Parlo Tours. Revenue was mainly derived from travel products and services for leisure travel as well as travel products and services for corporate travel.

The Parlo Group’s travel products and services for leisure travel comprised mainly group inclusive tours (“**GIT**”) (which remained a major contributor of the Group’s revenue), free independent traveller/tourists (“**FIT**”) and retail ticketing. For the FPE 31 March 2018, the Group’s GIT sales were mainly to Europe and the Asia region such as Japan, China, Korea and Taiwan. The Parlo Group’s travel products and services for corporate travel comprised mainly meetings, incentives, conventions and events (“**MICE**”) and corporate ticketing. Such sales are ad-hoc and dependent on customers’ demand and are customised based on the customers’ requirements.

The Group recorded a LBT of RM1.58 million for the FPE 31 March 2018 mainly due to high administrative expenses and seasonality of the Group’s business. The administrative expenses comprised mainly staff cost and operational expenses. As mentioned in Note A4, the Group’s business is subjected to seasonal variations annually depending on the contribution of the Group’s leisure travel and corporate travel businesses. Its seasonal patterns have been fairly consistent each year where revenue and profits for the 1st quarter of the year are generally lower and would increase from the 2nd quarter of the year and peak in the 4th quarter of the year.

In view of the LBT of RM1.58 million, no provision for tax was made for the FPE 31 March 2018.

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

	Individual quarter		Changes
	31/3/2018 RM'000	31/12/2017 RM'000	%
Revenue	32,874	N/A	N/A
Profit / (Loss) from operations	(1,545)	N/A	N/A
PBT / (LBT)	(1,576)	N/A	N/A
PAT / (LAT)	(1,576)	N/A	N/A
Profit / (Loss) attributable to ordinary equity holders of the Company	(1,576)	N/A	N/A

No comparison was made as the financial results for the immediate preceding quarter is not available.

B3 Prospects

In the first quarter of 2018, the global economic expansion continued at a robust pace. Most major and regional economies recorded strong quarterly growth, suggesting the positive global growth momentum from the previous year was sustained. In the advanced economies, growth was driven mainly by private consumption. Growth in the Asian region was supported by robust global demand conditions, with several economies maintaining double-digit export growth during the quarter. The Malaysian economy expanded by 5.4% (Gross Domestic Product (GPD) growth) in the first quarter of 2018 (4Q 2017: 5.9%), driven by continued growth in private sector spending (5.2%; 4Q 2017: 7.4%) and strong growth in net exports (62.4%; 4Q 2017: 2.3%).

Source: Bank Negara Malaysia Quarterly Bulletin, Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2018.

The Parlo Group completed the Regularisation Plan (as set out in Note B6(i)) on 18 January 2018. Parlo's 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 MICE. The Group (under its new main operating subsidiary, 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.

The Group also recently embarked on the new corporate proposals as mentioned in Notes A12, B6(ii) and B6(iii) that are expected to enable the Group to expand and contribute to the future earnings of its travel and tours as well as MICE business.

Taking into consideration the continued global, regional and Malaysian economic growth, nature of the Parlo Group's travel and tour business which, among others, is impacted by consumer spending as well as the Group's efforts as detailed above, the Board of Directors of Parlo ("**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 available to the Group.

B5 Taxation

	Current quarter		Year-to-date	
	31/3/2018 RM'000	31/3/2017 RM'000	31/3/2018 RM'000	31/3/2017 RM'000
Current taxation				
- Current year	-	N/A	-	N/A
- Prior year	-	N/A	-	N/A
Deferred taxation	-	N/A	-	N/A
	-	N/A	-	N/A

In view of the LBT of RM1.58 million, no provision for tax was made for the FPE 31 March 2018.

B6 Status of corporate proposals

(i) Regularisation Plan

The Company's Regularisation Plan which was completed on 18 January 2018 comprised the following:

- Reduction of its issued share capital pursuant to Section 116 of the Companies Act 2016 involving the cancellation of RM9.0 million of the issued capital of Parlo ("**Share Capital Reduction**"), which was completed on 13 December 2017;
- Share 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**"), which was completed on 29 December 2017;
- Acquisition;
- Exemption for Thirty Keystone Sdn Bhd ("**Thirty Keystone**") and persons acting in concert with it under paragraph 4.08(1) of the Rules on Takeovers, Mergers and Compulsory Acquisitions from the obligation to undertake a mandatory take-over offer for the remaining Parlo Shares not already held by them after the Acquisition;
- Debt Settlement; and
- Private Placement.

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) Proposed Subscription of shares in Travel Ideas

On 28 February 2018, Parlo announced that Pioneer Streams had on 28 February 2018 entered into the Proposed Subscription (as mentioned in Note A12). The last of the conditions precedent to the subscription agreement were fulfilled on 28 May 2018. According to the subscription agreement, the said agreement shall be completed within 10 working days from 28 May 2018.

(iii) Proposed Acquisition of RK Travels

On 12 March 2018, Parlo announced that Nautical Angle had entered into the SSA for the Proposed Acquisition of RK Travels (as mentioned in Note A12). The completion of the Proposed Acquisition of RK Travels is pending the fulfillment of the conditions precedent to the SSA.

B7 Status of utilisation of proceeds raised from the Private Placement

The proposed and actual utilisation of the total gross proceeds of RM8,400,760 raised from the Private Placement were as follows:

	Proposed utilisation RM'000	Actual utilisation as at the LPD RM'000	Intended timeframe for utilisation	Remaining balance RM'000	Explanation
Working capital	5,601	3,036	Within 12 months	2,565	*
Estimated expenses in relation to the Regularisation Plan	2,800	2,900	Within 1 month	(100)	*
Total	8,401	5,936		2,465	

Note:

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

B8 Group's borrowings and debt securities

The Group's borrowings (all denominated in Ringgit Malaysia) were as follows:

As at 31 March 2018:

	Short term RM'000	Long term RM'000	Total RM'000
<u>Secured</u>			
Term loan	536	1,060	1,596
Finance lease liabilities	72	98	170
Total	608	1,158	1,766

The effective interest rates were as follows:

	%
Term loan	6.82
Finance lease liabilities	4.32-7.85

The proportion of debt that was based on fixed interest rate and floating interest rate was at 9.63 : 90.37.

B9 Financial instruments - Derivatives

The Group uses foreign currency forward contracts to hedge its exposure to fluctuations in foreign exchange arising from purchases. The Group does not hold or issue derivative financial instruments for trading purposes.

The details of the outstanding foreign currency forward contracts as at 31 March 2018 were as follows:

	As at 31 March 2018		
	Notional amount	Fair value	Unrealised fair value loss
	RM'000	RM'000	RM'000
<u>Foreign currency forward contracts</u>			
Less than 1 year:	1,453	1,426	27

The above were executed with credit worthy financial institutions in Malaysia. The Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength. There are also no cash requirements risks as the Group only uses foreign currency forward contracts as its hedging instruments. The fair value changes have been recognised in the profit and loss.

There have been no changes to Group's management objectives, policies and processes and no significant changes to the Group exposure to credit risk, market risk and liquidity risk from the previous financial year.

Unrealised (gains) / losses arising from fair value changes of financial liabilities

The Group determines the fair values of the foreign currency forward contracts by using the difference between the contracted foreign currency forward rates and the bank's spot rate at period end. The basis of fair value measurement is the difference between the contracted value and the market rates. This resulted in the Group recording a gain when the rates moved favourably against the Group or recording a loss when the rates moved unfavourably against the Group.

B10 Trade receivables

The Parlo Group's normal credit period given to customers ranges from cash term to 60 days. There were no trade receivables from related parties during current quarter.

The trade receivables were mainly attributable to travel packages sold in years 2017 and 2018 of which the travel dates are subsequent to the current quarter in year 2018.

The trade receivables balance and the ageing analysis were as follows:

	31 March	
	2018	2017
	RM'000	RM'000
Neither past due nor impaired	18,531	N/A
Past due 61 - 90 days	2,242	N/A
Past due more than 90 days	15,221	N/A
	17,463	N/A
Individually impaired	(27)	N/A
	35,967	N/A

The amount owing past due more than 90 days remained outstanding as at 31 March 2018 was attributable to travel packages where the travel dates are subsequent to the current quarter in year 2018. The said amount, being the balance of the payment for the travel packages will usually be paid not less than 1 month before the departure date.

The Parlo Group monitors all outstanding debts closely to ensure that adequate impairment is made in the event the recovery of any debt appears to be doubtful. The Parlo Group also has staffs specifically assigned to monitor the long outstanding trade receivables.

For the current quarter, the Board was of the view that the above debts were recoverable thus no provision for impairment of trade receivables was made.

B11 Material litigation

There was no material litigation in the current financial quarter and financial period-to-date.

B12 Dividends

No dividends have been declared or paid in the current financial quarter and financial period-to-date.

B13 Notes to the statement of comprehensive income

Profit for the current financial quarter and financial period-to-date were arrived at after crediting / (charging) the following:

	As at 31 March 2018	As at 31 March 2017
	RM'000	RM'000
Interest income	9	N/A
Interest expense	(30)	N/A
Depreciation of property, plant and equipment	(103)	N/A

Other than as disclosed above which have been included in the Consolidated Statement of Comprehensive Income, the Group does not have other material items (such as impairment of assets, provision for and write-off of receivables, provision for and write-off of inventories and disposal of quoted investments or properties and gain or loss on derivatives) included in the results for the current financial quarter ended 31 March 2018.

B14 Earnings / (Loss) per share**(i) Basic loss per Share (“LPS”)**

Basic LPS was calculated by dividing the loss attributable to owners of the Company for the current financial quarter and the financial period-to-date by the weighted average number of ordinary shares in issue:

	Individual quarter		Cumulative quarter	
	Current quarter	Precedent year quarter	Current year-to-date	Precedent year-to-date
	31/3/2018 RM'000	31/3/2017 RM'000	31/3/2018 RM'000	31/3/2017 RM'000
Profit / (Loss) attributable to owners of the Company	(1,576)	N/A	(1,576)	N/A
Weighted average number of shares ('000)	297,160	N/A	297,160	N/A
Basic LPS (sen)	(0.53)	N/A	(0.53)	N/A

(ii) Diluted LPS

Diluted LPS was not applicable as there were no potential ordinary shares in issue for the current quarter and cumulative quarter.

BY ORDER OF THE BOARD,

CHENG CHIA PING
(MAICSA 1032514 PRACTITIONER)
COMPANY SECRETARY

31 May 2018