

**PARLO BERHAD (385635-V)**

**Interim financial report for the first quarter ended 31 March 2019**

| <b>PART A2 :- SUMMARY OF KEY FINANCIAL INFORMATION</b>                            |  |  |  |   |
|---|--|--|--|---|
| Summary of Key Financial Information for the financial period ended 31 March 2019 |  |  |  |   |
|   | <b>INDIVIDUAL QUARTER</b>  |  | <b>CUMULATIVE PERIOD</b>   |   |
|   | <b>CURRENT YEAR QUARTER</b><br><b>31 March 2019</b><br><b>RM'000</b> | <b>PRECEDING YEAR CORRESPONDING QUARTER</b><br><b>31 March 2018</b><br><b>RM'000</b> | <b>CURRENT YEAR TO DATE</b><br><b>31 March 2019</b><br><b>RM'000</b> | <b>PRECEDING YEAR CORRESPONDING PERIOD</b><br><b>31 March 2018</b><br><b>RM'000</b> |
| 1. Revenue  | 32,895   | 32,874   | 32,895   | 32,874  |
| 2. Loss before tax  | (1,022)  | (1,576)  | (1,022)  | (1,576)   |
| 3. Loss attributable to ordinary equity holders of the Company                    | (1,008)  | (1,576)  | (1,008)  | (1,576)   |
| 4. Basic loss per share (sen)   | (0.28)   | (0.53)   | (0.28)   | (0.53)  |
| 5. Dividend per share   | -  | -  | -  | -   |
|   | AS AT END OF CURRENT QUARTER   |  | AS AT PRECEDING FINANCIAL YEAR END                                   |   |
| 6. Net assets per share (RM)  | <b>0.05</b>  |  | <b>0.05</b>  |   |

| <b>PART A3 :- ADDITIONAL INFORMATION</b> |  |  |  |   |
|--|--|--|--|---|
|  | <b>INDIVIDUAL QUARTER</b>  |  | <b>CUMULATIVE PERIOD</b>   |   |
|  | <b>CURRENT YEAR QUARTER</b><br><b>31 March 2019</b><br><b>RM'000</b> | <b>PRECEDING YEAR CORRESPONDING QUARTER</b><br><b>31 March 2018</b><br><b>RM'000</b> | <b>CURRENT YEAR TO DATE</b><br><b>31 March 2019</b><br><b>RM'000</b> | <b>PRECEDING YEAR CORRESPONDING PERIOD</b><br><b>31 March 2018</b><br><b>RM'000</b> |
| 1. Loss before interest and tax          | (1,013)  | (1,554)  | (1,013)  | (1,554)   |
| 2. Gross interest income                 | 22   | 9  | 22   | 9   |
| 3. Gross Interest expense                | (31)   | (30)   | (31)   | (30)  |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

|  | INDIVIDUAL QUARTER      |                                      | CUMULATIVE PERIOD       |                                     |
|--|-------------------------|--------------------------------------|-------------------------|-------------------------------------|
|  | CURRENT YEAR QUARTER    | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE    | PRECEDING YEAR CORRESPONDING PERIOD |
|  | 31 March 2019<br>RM'000 | 31 March 2018<br>RM'000              | 31 March 2019<br>RM'000 | 31 March 2018<br>RM'000             |
| Revenue  | 32,895                  | 32,874                               | 32,895                  | 32,874                              |
| Cost of sales                                    | (29,417)                | (29,667)                             | (29,417)                | (29,667)                            |
| <b>Gross profit</b>                              | <b>3,478</b>            | <b>3,207</b>                         | <b>3,478</b>            | <b>3,207</b>                        |
| Administrative expenses                          | (5,170)                 | (4,985)                              | (5,170)                 | (4,985)                             |
| <b>Loss from operations</b>                      | <b>(1,692)</b>          | <b>(1,778)</b>                       | <b>(1,692)</b>          | <b>(1,778)</b>                      |
| Other operating income                           | 679                     | 224                                  | 679                     | 224                                 |
| <b>Loss before interest and tax</b>              | <b>(1,013)</b>          | <b>(1,554)</b>                       | <b>(1,013)</b>          | <b>(1,554)</b>                      |
| Finance income                                   | 22                      | 9                                    | 22                      | 9                                   |
| Finance costs                                    | (31)                    | (31)                                 | (31)                    | (31)                                |
| <b>Loss before taxation</b>                      | <b>(1,022)</b>          | <b>(1,576)</b>                       | <b>(1,022)</b>          | <b>(1,576)</b>                      |
| Taxation   | -                       | -                                    | -                       | -                                   |
| <b>Loss after taxation</b>                       | <b>(1,022)</b>          | <b>(1,576)</b>                       | <b>(1,022)</b>          | <b>(1,576)</b>                      |
| <b>Other comprehensive income net of tax</b>     | <b>(1,022)</b>          | <b>(1,576)</b>                       | <b>(1,022)</b>          | <b>(1,576)</b>                      |
| <b>Other comprehensive income for the period</b> | <b>-</b>                | <b>-</b>                             | <b>-</b>                | <b>-</b>                            |
| <b>Total comprehensive loss for the period</b>   | <b>(1,022)</b>          | <b>(1,576)</b>                       | <b>(1,022)</b>          | <b>(1,576)</b>                      |
| Loss attributable to:                            |                         |                                      |                         |                                     |
| Owners of the Company                            | (1,008)                 | (1,576)                              | (1,008)                 | (1,576)                             |
| Non-controlling Interest                         | (14)                    | -                                    | (14)                    | -                                   |
|  | (1,022)                 | (1,576)                              | (1,022)                 | (1,576)                             |
| Total comprehensive loss attributable to:        |                         |                                      |                         |                                     |
| Owners of the Company                            | (1,008)                 | (1,576)                              | (1,008)                 | (1,576)                             |
| Non-controlling interest                         | (14)                    | -                                    | (14)                    | -                                   |
|  | (1,022)                 | (1,576)                              | (1,022)                 | (1,576)                             |
| Basic loss per share (sen)<br>(Note B13)         | (0.28)                  | (0.53)                               | (0.28)                  | (0.53)                              |

The condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**PARLO BERHAD (385635-V)**  
**Interim financial report for the first quarter ended 31 March 2019**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019**

|   | As at<br>31 March 2019<br>RM'000<br>(Unaudited) | As at<br>31 December 2018<br>RM'000<br>(Audited) |
|---|---|--|
| <b>ASSETS</b>   |   |  |
| <b>Non-current assets</b>                                 |   |  |
| Property, plant and equipment                             | 5,434   | 4,931  |
| Intangible assets   | 2,354   | 2,285  |
| Investment properties                                     | 1,180   | 1,180  |
| Deferred tax asset  | 792   | 792  |
|   | <b>9,760</b>                                    | <b>9,188</b>                                     |
| <b>Current assets</b>                                     |   |  |
| Trade and other receivables                               | 11,347  | 12,793   |
| Tax recoverable   | 4,365   | 3,867  |
| Financial assets at fair value through profit or loss     | 196   | 196  |
| Fixed deposit with a licensed bank                        | 1,471   | 2,371  |
| Cash and bank balances                                    | 5,376   | 5,889  |
|   | <b>22,755</b>                                   | <b>25,116</b>                                    |
| <b>TOTAL ASSETS</b>                                       | <b>32,515</b>                                   | <b>34,304</b>                                    |
| <b>EQUITY AND LIABILITIES</b>                             |   |  |
| <b>LIABILITIES</b>  |   |  |
| <b>Current liabilities</b>                                |   |  |
| Trade payables and other payables                         | 14,581  | 14,534   |
| Borrowings  | 598   | 1,059  |
| Tax payable   | -   | 151  |
|   | <b>15,179</b>                                   | <b>15,744</b>                                    |
| <b>NET CURRENT ASSETS</b>                                 | <b>17,336</b>                                   | <b>18,560</b>                                    |
| <b>Non-current liabilities</b>                            |   |  |
| Borrowings  | 664   | 866  |
| <b>Equity attributable to owners of the Company</b>       |   |  |
| Share capital   | 38,435 <sup>^</sup>                             | 38,435 <sup>^</sup>                              |
| Reserves  | (26,281)  | (26,281)   |
| Retained earnings   | 4,266   | 5,254  |
|   | <b>16,420</b>                                   | <b>17,408</b>                                    |
| <b>Equity not attributable to owners of the Company</b>   |   |  |
| Non-Controlling Interests                                 | 252   | 286  |
| <b>TOTAL EQUITY</b>                                       | <b>16,672</b>                                   | <b>17,694</b>                                    |
| <b>TOTAL EQUITY and LIABILITIES</b>                       | <b>17,336</b>                                   | <b>18,560</b>                                    |
| Number of ordinary shares in issue ('000)                 | 364,033   | 364,033  |
| Net assets per share attributable to ordinary equity (RM) | 0.05  | 0.05   |

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

<sup>^</sup> 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 (385635-V)**

Interim financial report for the first quarter ended 31 March 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|   | <b>CURRENT<br/>YEAR TO DATE</b> | <b>PRECEDING YEAR<br/>CORRESPONDING<br/>PERIOD</b> |
|---|---------------------------------|--|
|   | <b>31 March 2019<br/>RM'000</b> | <b>31 March 2018<br/>RM'000</b>                    |
| <b>Cash flows from operating activities</b>                         |                                 |  |
| Loss before taxation  | (1,022)                         | (1,576)  |
| Adjustments for:  |                                 |  |
| Depreciation  | 100                             | 103  |
| Amortisation  | 3                               | -  |
| Loss on disposal of PPE   | 11                              | -  |
| Interest expense  | 31                              | 30   |
| Interest income   | (22)                            | (9)  |
| Operating profit before working capital changes                     | <u>(899)</u>                    | <u>(1,452)</u>                                     |
| (Increase) / Decrease in working capital:                           |                                 |  |
| Trade receivables   | 701                             | (8,694)  |
| Other receivables   | (1,433)                         | (930)  |
| Trade payables  | (4,730)                         | (1,596)  |
| Other payables  | 6,955                           | 10,486   |
| Cash generated from/(used in) operations                            | <u>594</u>                      | <u>(2,186)</u>                                     |
| Taxation paid   | (649)                           | (1,049)  |
| Interest received   | 22                              | 9  |
| Interest paid   | (31)                            | (30)   |
| Net cash used in operating activities                               | <u>(64)</u>                     | <u>(3,256)</u>                                     |
| <b>Cash flows from investing activities</b>                         |                                 |  |
| Software development cost   | (70)                            | -  |
| Acquisition of Trademark  | (2)                             | -  |
| Purchase of property, plant and equipment                           | (614)                           | (85)   |
| Disposal of property, plant and equipment                           | -                               | -  |
| Cash acquired from reversed acquisition                             | -                               | 166  |
| Net cash (used in)/generated from investing activities              | <u>(686)</u>                    | <u>81</u>  |
| <b>Cash flows from financing activities</b>                         |                                 |  |
| Issuance of share capital pursuant to private placement             | -                               | 8,401  |
| Repayment of bank borrowings  | (135)                           | (106)  |
| Net cash (used in)/generated from financing activities              | <u>(135)</u>                    | <u>8,295</u>                                       |
| Net (decrease)/increase in cash and cash equivalents                | (885)                           | 5,120  |
| Cash and cash equivalents at beginning of the financial period      | <u>6,861</u>                    | <u>3,276</u>                                       |
| Cash and cash equivalents at end of the financial period            | <u>5,976</u>                    | <u>8,396</u>                                       |
| Cash and cash equivalents at end of the financial period comprises: |                                 |  |
| Cash and bank balances  | 5,376                           | 5,120  |
| Fixed deposits with licensed banks                                  | 1,471                           | 3,276  |
|   | <u>6,847</u>                    | <u>8,396</u>                                       |
| Less: Fixed deposits pledged with licensed banks                    | (871)                           | 1,361  |
|   | <u>5,976</u>                    | <u>8,396</u>                                       |

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**PARLO BERHAD (385635-V)**  
Interim financial report for the first quarter ended 31 March 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | Share capital | Profit Guarantee Shares for disposal | Reverse Acquisition Reserve | Revaluation Reserve | Retained earnings | Non-Controlling Interest | Total equity  |
|---|---------------|--------------------------------------|-----------------------------|---------------------|-------------------|--------------------------|---------------|
|   | RM'000        | RM'000                               | RM'000                      | RM'000              | RM'000            | RM'000                   | RM'000        |
| <b>As at 1 January 2019</b>                     | 38,435        | (1,044)                              | (25,471)                    | 234                 | 5,254             | 286                      | 17,694        |
| Total comprehensive loss for the period         | -             | -                                    | -                           | -                   | (1,008)           | (14)                     | (1,022)       |
| <b>As at 31 March 2019</b>                      | <b>38,435</b> | <b>(1,044)</b>                       | <b>(25,471)</b>             | <b>234</b>          | <b>4,246</b>      | <b>272</b>               | <b>16,672</b> |
| <b>As at 1 January 2018</b>                     | 1,600         | -                                    | -                           | -                   | 17,233            | -                        | 18,833        |
| Loss for the financial year                     | -             | -                                    | -                           | -                   | (11,979)          | (14)                     | (11,993)      |
| Other comprehensive income:                     |               |                                      |                             |                     |                   |                          |               |
| -gains on revaluation of land and buildings     | -             | -                                    | -                           | 234                 | -                 | -                        | 234           |
| Total comprehensive loss for the financial year | -             | -                                    | -                           | 234                 | (11,979)          | (14)                     | (11,759)      |
| Issue of new shares                             |               |                                      |                             |                     |                   |                          |               |
| -Private placement                              | 8,401         | -                                    | -                           | -                   | -                 | -                        | 8,401         |
| -Debt settlement                                | 2,002         | -                                    | -                           | -                   | -                 | -                        | 2,002         |
| -Acquisition of Parlo Tours Sdn Bhd             | 25,000        | -                                    | -                           | -                   | -                 | -                        | 25,000        |
| Acquisition of a subsidiary company             | -             | -                                    | -                           | -                   | -                 | 300                      | 300           |
| Reverse acquisition adjustment                  | 1,432         | -                                    | (25,471)                    | -                   | -                 | -                        | (24,039)      |
| Settlement of profit guarantee                  | -             | (1,261)                              | -                           | -                   | -                 | -                        | (1,261)       |
| Disposal of profit guarantee shares             | -             | 217                                  | -                           | -                   | -                 | -                        | 217           |
| Total transactions with owners                  | 36,835        | (1,044)                              | (25,471)                    | -                   | -                 | 300                      | 10,620        |
| <b>As at 31 December 2018</b>                   | <b>38,435</b> | <b>(1,044)</b>                       | <b>(25,471)</b>             | <b>234</b>          | <b>5,254</b>      | <b>286</b>               | <b>17,694</b> |

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

**PARLO BERHAD (385635-V) (“COMPANY”)**

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

**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 2018.

**A2 Changes in accounting policies**

The accounting policies and methods of computation applied by the 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 2018.

Accounting standards, amendments to accounting standards and IC Interpretations that are effective for the Group’s financial year beginning on or after 1 January 2019 are as follows:

- MFRS 16, “Leases”
- Amendments to MFRS 3, “Business Combinations” (Annual Improvements to MFRS 2015-2017 cycle)
- Amendments to MFRS 9, “Prepayment Features with Negative Compensation”
- Amendments to MFRS 11, “Joint Arrangement” (Annual Improvements to MFRS 2015-2017 cycle)
- Amendments to MFRS 112, “Income Taxes” (Annual Improvements to MFRS 2015-2017 cycle)
- Amendments to MFRS 123, “Borrowing Costs” (Annual Improvements to MFRS 2015-2017 cycle)
- Amendments to MFRS 119, “Employee Benefits”
- Amendments to MFRS 128, “Long-term Interests in Associates and Joint Ventures”
- IC Interpretation 23, “Uncertainty over Income Tax Treatments”

The Company does not expect that the initial application of the above standards will have a material impact on the financial statements, other than additional disclosure requirements.

Accounting standards, amendments to accounting standards and IC Interpretations that are applicable for the Group in the following periods but are not yet effective:

***Annual periods beginning on/after 1 January 2020:***

Amendments to References to Conceptual Framework in MFRS standards

- Amendments to MFRS 2, “Share-Based Payment”
- Amendments to MFRS 3, “Business Combinations”
- Amendment to MFRS 6, “Exploration for and Evaluation of Mineral Resources”
- Amendment to MFRS 14, “Regulatory Deferral Accounts”
- Amendments to MFRS 101, “Presentation of Financial Statements”
- Amendments to MFRS 108, “Accounting Policies, Changes in Accounting Estimates and Errors”

- Amendments to MFRS 134, “Interim Financial Reporting”
- Amendments to MFRS 137, “Provisions, Contingent Liabilities and Contingent Assets”
- Amendment to MFRS 138, “Intangible Assets”
- Amendment to IC Interpretation 12, “Service Concession Arrangements”
- Amendment to IC Interpretation 19, “Extinguishing Financial Liabilities with Equity Instruments”
- Amendment to IC Interpretation 20, “Stripping Costs in the Production Phase of a Surface Mine”
- Amendment to IC Interpretation 22, “Foreign Currency Transactions and Advance Consideration”
- Amendment to IC Interpretation 132, “Intangible Assets – Web Site Costs”

***Annual periods beginning on/after 1 January 2021:***

- MFRS 17, “Insurance Contracts”

***Effective date yet to be determined by the Malaysian Accounting Standards Board:***

- Amendments to MFRS 10 and MFRS 128, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

**A3 Audit report of preceding annual financial statements**

The auditors’ report on the financial statements for the financial year ended 31 December 2018 was not subject to any qualification.

**A4 Seasonal or cyclical factors**

The demand for the 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 first quarter of the year are generally lower, increase from the second quarter of the year and peaking in the fourth 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**

There was no 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 Group is organised into few business units / brands, which are Premium Group Tours (“**PARLO**”), Affordable Group Tours (“**AGT**”) and Meetings, Incentives, Conventions and Events (“**DMC 360**”). The segment information is as follows:

|   | Current quarter            |                            | Year-to-date               |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 31 March<br>2019<br>RM'000 | 31 March<br>2018<br>RM'000 | 31 March<br>2019<br>RM'000 | 31 March<br>2018<br>RM'000 |
| <b>Revenue by business segments:</b>            |                            |                            |                            |                            |
| Travel and tours                                | <b>29,835</b>              | <b>29,866</b>              | <b>29,835</b>              | <b>29,866</b>              |
| - PARLO   | 26,618                     | 29,866                     | 26,618                     | 29,866                     |
| - AGT   | 3,217                      | -                          | 3,217                      | -                          |
| Meetings, Incentives, Conventions<br>and Events | <b>3,060</b>               | <b>3,008</b>               | <b>3,060</b>               | <b>3,008</b>               |
| -DMC 360  | 3,060                      | 3,008                      | 3,060                      | 3,008                      |
| Investment holding                              | -                          | -                          | -                          | -                          |
|   | <b>32,895</b>              | <b>32,874</b>              | <b>32,895</b>              | <b>32,874</b>              |
| <b>Segment results:</b>                         |                            |                            |                            |                            |
| Travel and tours                                | (1,702)                    | (1,056)                    | (1,702)                    | (1,056)                    |
| Meetings, Incentives, Conventions<br>and Events | 460                        | (55)                       | 460                        | (55)                       |
| Investment holding                              | (450)                      | (667)                      | (450)                      | (667)                      |
| Loss from operations                            | <b>(1,692)</b>             | <b>(1,778)</b>             | <b>(1,692)</b>             | <b>(1,778)</b>             |
| Other operating income                          | 679                        | 224                        | 679                        | 224                        |
| Loss before interest and tax<br>("LBIT")        | <b>(1,013)</b>             | <b>(1,554)</b>             | <b>(1,013)</b>             | <b>(1,554)</b>             |
| Finance income                                  | 22                         | 9                          | 22                         | 9                          |
| Finance costs                                   | (31)                       | (30)                       | (31)                       | (30)                       |
| Loss before taxation ("LBT")                    | <b>(1,022)</b>             | <b>(1,576)</b>             | <b>(1,022)</b>             | <b>(1,576)</b>             |
| Taxation  | -                          | -                          | -                          | -                          |
| Loss after taxation ("LAT")                     | <b>(1,022)</b>             | <b>(1,576)</b>             | <b>(1,022)</b>             | <b>(1,576)</b>             |

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

## 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 2019 up to 24 May 2019, 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 27 February 2019, Pioneer Streams Consolidated Sdn. Bhd., a wholly-owned subsidiary of the Company had incorporated a wholly-owned subsidiary, Tivos Sphere Pte. Ltd. [Registration No. 201906278Z] in Singapore for SGD10,000 for development of other software and programming activities.

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.

**A14 Significant related party transaction**

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

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

**B1 Review of performance**

|  | Individual quarter         |                            | Changes<br>% | Cumulative period          |                            | Changes<br>% |
|--|----------------------------|----------------------------|--------------|----------------------------|----------------------------|--------------|
|  | 31 March<br>2019<br>RM'000 | 31 March<br>2018<br>RM'000 |              | 31 March<br>2019<br>RM'000 | 31 March<br>2018<br>RM'000 |              |
| Revenue                                    | 32,895                     | 32,874                     | 0.06         | 32,895                     | 32,874                     | 0.06         |
| Loss from operations                       | (1,692)                    | (1,778)                    | -4.84        | (1,692)                    | (1,778)                    | -4.84        |
| LBIT                                       | (1,013)                    | (1,554)                    | -34.81       | (1,013)                    | (1,554)                    | -34.81       |
| LBT  | (1,022)                    | (1,576)                    | -35.15       | (1,022)                    | (1,576)                    | -35.15       |
| LAT  | (1,022)                    | (1,576)                    | -35.15       | (1,022)                    | (1,576)                    | -35.15       |
| Loss attributable to owners of the Company | (1,008)                    | (1,576)                    | -36.04       | (1,008)                    | (1,576)                    | -36.04       |

The revenue of the Group for the financial period ended (“FPE”) 31 March 2019 was derived entirely from its main operating subsidiary, Parlo Tours Sdn. Bhd. (“Parlo Tours”).

The Group recorded a revenue of RM32.90 million for the current quarter, consistent with the revenue of RM32.87 million for FPE 31 March 2018.

The loss from operations amounting to RM1.69 million in the current quarter was mainly due to operating expenses, professional fees, marketing costs and staff costs.

The Group’s LAT was reduced to RM1.02 million mainly due to the higher other operating income received by the Group in the current quarter, which comprised commission received from airlines and realised gain in foreign exchange.

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

|  | Individual quarter         |                               | Changes<br>% |
|--|----------------------------|-------------------------------|--------------|
|  | 31 March<br>2019<br>RM'000 | 31 December<br>2018<br>RM'000 |              |
| Revenue                                    | 32,895                     | 55,507                        | -40.74       |
| Loss from operations                       | (1,692)                    | (1,900)                       | -10.95       |
| LBIT (before exceptional item)             | (1,013)                    | (1,533)                       | -33.92       |
| LBT (before exceptional item)              | (1,022)                    | (1,591)                       | -35.76       |
| Exceptional item                           | -                          | 1,261                         | -100.00      |
| LAT  | (1,022)                    | (859)                         | 18.98        |
| Loss attributable to owners of the Company | (1,008)                    | (861)                         | 17.07        |

The Group recorded a lower revenue of RM32.90 million as compared to previous quarter of RM55.51 million in line with seasonal factors affecting the Group. Historically, the Group has always recorded lower revenue in the first quarter and higher revenue in the fourth quarter of the year.

The Group adopted better cost control in the current quarter such as restructuring all the duplicated routes and tours between PARLO and AGT. Additionally the Group also recorded higher gross profit margin in the current quarter partly due to lower forfeiture of deposits from airlines on non-materialisation of travel tours and this attributed to the lower loss from operations from RM1.90 million to RM1.69 million despite the revenue decreasing by 40.74% in the current quarter compared to previous quarter.

The Group recorded a lower LBT (before exceptional item) amounting to RM1.02 million for the current quarter as compared to previous quarter of RM1.59 million, which represents an improvement of 35.76% and this is due to the higher other operating income received by the Group as compared to the previous quarter. The other operating income mainly comprised commission received from airlines and realised gain in foreign exchange.

The exceptional item of RM1.26 million recorded in previous quarter arose from the settlement of the shortfall in profit guarantee for the FYE 31 December 2017.

## B3 Prospects

The Group (under its 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 operating environment is expected to remain competitive. Nevertheless, with the Group's continuous effort in improving marketing strategies and the roll-out of its digital initiatives (i.e., Travidideas, a website-domain), the performance in the current financial year is expected to improve as the Group will now have a wider spectrum of travel products and services being offered via multiple distribution channels to cater to various customer segments in Malaysia and beyond.

## B4 Profit forecast and profit guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial quarter.

**B5 Taxation**

|                                | Current quarter            |                            | Year-to-date               |                            |
|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                | 31 March<br>2019<br>RM'000 | 31 March<br>2018<br>RM'000 | 31 March<br>2019<br>RM'000 | 31 March<br>2018<br>RM'000 |
| Current taxation               |                            |                            |                            |                            |
| - Current year                 | -                          | -                          | -                          | -                          |
| - Prior year                   | -                          | -                          | -                          | -                          |
| Deferred taxation              | -                          | -                          | -                          | -                          |
| Total tax<br>expense/(surplus) | -                          | -                          | -                          | -                          |

In view of the LBT of RM1.02 million, no provision for tax was made for the FPE 31 March 2019.

**B6 Status of corporate proposals**

There were no corporate proposals announced but not completed as at the LPD.

**B7 Status of utilisation of proceeds raised**

The total proceeds of RM8,400,760 raised from the private placement of 84,007,600 new ordinary shares in Parlo had been fully utilised as at the LPD. The proposed and actual utilisation were as follows: -

|   | Proposed<br>utilisation<br>RM'000 | Actual<br>utilisation<br>as at the<br>LPD<br>RM'000 | Intended<br>timeframe<br>for<br>utilisation | Remaining<br>balance<br>RM'000 | Explanation |
|---|-----------------------------------|---|---|--------------------------------|-------------|
| Working capital   | 5,601                             | 5,501   | Within 18<br>months                         | 100                            | *           |
| Estimated expenses<br>in relation to the<br>Regularisation Plan | 2,800                             | 2,900   | Within 1<br>month                           | (100)                          | *           |
| <b>Total</b>  | <b>8,401</b>                      | <b>8,401</b>  |   | -                              |             |

Note:

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

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## B8 Group's borrowings and debt securities

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

As at 31 March 2019:

|                           | Short term<br>RM'000 | Long term<br>RM'000 | Total<br>RM'000 |
|---------------------------|----------------------|---------------------|-----------------|
| <u>Secured</u>            |                      |                     |                 |
| Term loan                 | 538                  | 627                 | 1,165           |
| Finance lease liabilities | 60                   | 37                  | 97              |
| Total                     | 598                  | 664                 | 1,262           |
|                           |                      |                     |                 |

The effective interest rates were as follows:

|                           |           |
|---------------------------|-----------|
|                           | %         |
| Term loan                 | 6.92      |
| Finance lease liabilities | 2.45-4.42 |

The proportion of debt that was based on fixed interest rate and floating interest rate was at 7.69% and 92.31%, respectively.

## B9 Financial instruments - Derivatives

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

The details of the Group's outstanding foreign currency forward contracts position as at 31 March 2019 were as follows:

|   | As at 31 March 2019       |                      |   |
|---|---------------------------|----------------------|---|
|   | Notional amount<br>RM'000 | Fair value<br>RM'000 | Unrealised fair<br>value loss<br>RM'000 |
| <u>Foreign currency forward contracts</u> |                           |                      |   |
| Less than 1 year                          | 628                       | 618                  | (10)                                    |

The above was executed with approved 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 statement of 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.

## B10 Trade receivables

The 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 year 2018 and 2019 of which the travel dates are subsequent to the current financial quarter.

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

|                               | 31 March       |                |
|-------------------------------|----------------|----------------|
|                               | 2019<br>RM'000 | 2018<br>RM'000 |
| Neither past due nor impaired | 3,664          | 4,561*         |
| Past due 1 - 30 days          | 549            | 774*           |
| Past due 31 - 120 days        | 1,688          | 5,696*         |
|                               | 2,237          | 6,470*         |
| Individually impaired         | (27)           | (27)           |
|                               | 5,847          | 11,004*        |

Note:

\* The trade receivables balance for FPE 31 March 2018 was restated due to adoption of MFRS 15.

The 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 Group also has staff 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.

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**B12 Notes to the statement of comprehensive income**

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

|   | <b>As at 31 March<br/>2019<br/>RM'000</b> | <b>As at 31 March<br/>2018<br/>RM'000</b> |
|---|---|---|
| Interest income                               | 22  | 9   |
| Interest expense                              | (31)                                      | (30)                                      |
| Amortisation of intangible asset              | (3)                                       | -   |
| Depreciation of property, plant and equipment | (100)                                     | (103)                                     |

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 other income including investment income, impairment of assets, provision for and write-off of receivables, provision for and write-off of inventories, disposal of quoted investments or properties, gain or loss on derivatives and foreign exchange gain or loss) included in the results for the current financial quarter ended 31 March 2019.

**B13 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:

|   | <b>Individual quarter</b>  |                                   | <b>Cumulative quarter</b>       |                                   |
|---|----------------------------|-----------------------------------|---------------------------------|-----------------------------------|
|   | <b>Current<br/>quarter</b> | <b>Preceding<br/>year quarter</b> | <b>Current<br/>year-to-date</b> | <b>Preceding<br/>year-to-date</b> |
|   | <b>31 March<br/>2019</b>   | <b>31 March<br/>2018</b>          | <b>31 March<br/>2019</b>        | <b>31 March<br/>2018</b>          |
| Loss attributable to owners of the Company (RM'000) | (1,008)                    | (1,576)                           | (1,008)                         | (1,576)                           |
| Weighted average number of shares ('000)            | 364,033                    | 297,160                           | 364,033                         | 297,160                           |
| Basic LPS (sen)                                     | (0.28)                     | (0.53)                            | (0.28)                          | (0.53)                            |

No diluted earnings per share is disclosed as the Company does not have any dilutive potential ordinary shares (such as options or convertible instruments) in issue as at 31 March 2019.

**BY ORDER OF THE BOARD,**

CHENG CHIA PING  
(MAICSA 1032514 PRACTITIONER)  
COMPANY SECRETARY

31 May 2019