

**PARLO BERHAD (199601013285(385635-V))**  
**Interim financial report for the fourth quarter ended 31 December 2019**

<b>PART A2 :- SUMMARY OF KEY FINANCIAL INFORMATION</b>				
Summary of Key Financial Information for the financial period ended 31 December 2019				
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>CURRENT YEAR QUARTER</b> <b>31 December 2019</b> <b>RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER</b> <b>31 December 2018</b> <b>RM'000</b>	<b>CURRENT YEAR TO DATE</b> <b>31 December 2019</b> <b>RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD</b> <b>31 December 2018</b> <b>RM'000</b>
1. Revenue	55,003	55,507	162,926	161,746
2. Profit/(Loss) before tax	314	(347)	(741)	(11,666)
3. Loss attributable to ordinary equity holders of the Company	(61)	(877)	(1,213)	(11,979)
4. Basic loss per share (sen)	(0.02)	(0.24)	(0.33)	(3.33)
5. Dividend per share	-	-	-	-
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
6. Net assets per share (RM)	<b>0.04</b>		<b>0.05</b>	

<b>PART A3 :- ADDITIONAL INFORMATION</b>				
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>CURRENT YEAR QUARTER</b> <b>31 December 2019</b> <b>RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER</b> <b>31 December 2018</b> <b>RM'000</b>	<b>CURRENT YEAR TO DATE</b> <b>31 December 2019</b> <b>RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD</b> <b>31 December 2018</b> <b>RM'000</b>
1. Loss before interest and tax	305	(341)	(769)	(11,650)
2. Gross interest income	75	52	167	129
3. Gross Interest expense	(66)	(58)	(139)	(145)

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31 December 2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 December 2018 RM'000	CURRENT YEAR TO DATE 31 December 2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 December 2018 RM'000
Revenue	55,003	55,507	162,926	161,746
Cost of sales	(50,522)	(51,775)	(145,300)	(145,043)
<b>Gross profit</b>	4,481	3,732	17,626	16,703
Administrative expenses	(5,177)	(5,762)	(20,691)	(20,635)
<b>Loss from operations</b>	(696)	(2,030)	(3,065)	(3,932)
Impairment of Goodwill	-	-	-	(10,369)
Settlement of shortfall in profit guarantee	-	1,261	-	1,261
Other operating income	1,001	428	2,296	1,390
<b>Profit/(Loss) before interest and tax</b>	305	(341)	(769)	(11,650)
Finance income	75	52	167	129
Finance costs	(66)	(58)	(139)	(145)
<b>Profit/(Loss) before taxation</b>	314	(347)	(741)	(11,666)
Taxation	(464)	(529)	(617)	(327)
<b>Loss after taxation</b>	(150)	(876)	(1,358)	(11,993)
<b>Items that will not be reclassified to profit or loss</b>				
-Gain on revaluation of land and buildings	-	234	-	234
<b>Other comprehensive income for the period</b>	-	234	-	234
<b>Total comprehensive loss for the period</b>	(150)	(642)	(1,358)	(11,759)
Loss attributable to:				
Owners of the Company	(61)	(877)	(1,213)	(11,979)
Non-controlling Interest	(89)	1	(145)	(14)
	(150)	(876)	(1,358)	(11,993)
Total comprehensive loss attributable to:				
Owners of the Company	(61)	(643)	(1,213)	(11,745)
Non-controlling interest	(89)	1	(145)	(14)
	(150)	(642)	(1,358)	(11,759)
Basic loss per share (sen) (Note B12)	(0.02)	(0.24)	(0.33)	(3.33)

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.

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

	As at 31 December 2019 RM'000 (Unaudited)	As at 31 December 2018 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,588	4,931
Rights of use of asset	605	-
Intangible assets	2,004	2,285
Investment properties	1,180	1,180
Deferred tax asset	929	792
	<u>9,306</u>	<u>9,188</u>
<b>Current assets</b>		
Trade and other receivables	12,092	12,793
Tax recoverable	4,584	3,867
Financial assets at fair value through profit or loss	166	196
Fixed deposit with licensed banks	1,835	2,371
Cash and bank balances	2,742	5,889
	<u>21,419</u>	<u>25,116</u>
<b>TOTAL ASSETS</b>	<u>30,725</u>	<u>34,304</u>
<b>Current liabilities</b>		
Trade payables and other payables	12,395	14,534
Lease Liabilities	108	-
Borrowings	101	1,059
Tax payable	300	151
	<u>12,904</u>	<u>15,744</u>
	<u>17,821</u>	<u>18,560</u>
<b>Non-current liabilities</b>		
Borrowings	1,965	866
Lease Liabilities	510	-
	<u>2,475</u>	<u>866</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	38,435	38,435
Reserves	(27,271)	(26,281)
Retained earnings	4,041	5,254
	<u>15,205</u>	<u>17,408</u>
<b>Equity not attributable to owners of the Company</b>		
Non-controlling interests	141	286
<b>TOTAL EQUITY</b>	<u>15,346</u>	<u>17,694</u>
	<u>17,821</u>	<u>18,560</u>
Number of ordinary shares in issue ('000)	364,033	364,033
Net assets per share attributable to ordinary equity (RM)	0.04	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.

**PARLO BERHAD (199601013285(385635-V))**

Interim financial report for the fourth quarter ended 31 December 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD</b>
	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before taxation	(741)	(11,667)
Adjustments for:		
Impairment of Goodwill	-	10,369
Settlement of shortfall in profit guarantee	-	(1,261)
Depreciation of property, plant and equipment	488	498
Depreciation of rights of use of assets	98	-
Amortisation	511	20
Write-off of other assets	70	-
Waiver of debts and write-off of other creditors	(1,055)	-
Fair Value Gain on revaluation	-	(50)
Loss/(Gain) on disposal of PPE	14	(110)
Fair value loss of short term investments	29	112
Unrealised foreign exchange loss/(gain)	(28)	1
Interest expense	139	145
Interest income	(167)	(128)
Operating profit before working capital changes	<u>(642)</u>	<u>(2,071)</u>
(Increase) / Decrease in working capital:		
Trade receivables	(722)	2,316
Other receivables	1,417	8,767
Trade payables	(1,291)	(3,438)
Other payables	<u>239</u>	<u>(4,890)</u>
Cash generated from / (used in) operations	(999)	684
Taxation paid	(1,321)	(2,702)
Interest received	167	128
Interest paid	<u>(139)</u>	<u>(145)</u>
Net cash generated from / (used in) operating activities	<u>(2,292)</u>	<u>(2,035)</u>
<b>Cash flows from investing activities</b>		
Software development cost	(298)	(335)
Acquisition of Trademarks and right to use	(2)	-
Purchase of property, plant and equipment	(173)	(453)
Disposal of shares arising from profit guarantee	-	217
Disposal of property, plant and equipment	14	110
Cash acquired from reversed acquisition	-	166
Cash acquired from acquisition of subsidiary	-	(619)
Purchase of ESTS Shares	<u>(990)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,449)</u>	<u>(914)</u>
<b>Cash flows from financing activities</b>		
Issuance of share capital pursuant to private placement	-	8,401
Repayment of bank borrowings	(1,330)	(498)
Acquisition of bank borrowings	2,000	-
Repayment of lease liabilities	(84)	-
Fixed Deposits pledged to licensed banks	<u>(364)</u>	<u>(9)</u>
Net cash (used in) / generated from financing activities	<u>222</u>	<u>7,894</u>
Net increase in cash and cash equivalents	(3,519)	4,945
Cash and cash equivalents at beginning of the financial period	<u>6,861</u>	<u>1,915</u>
Cash and cash equivalents at end of the financial period	<u><u>3,342</u></u>	<u><u>6,860</u></u>
Cash and cash equivalents at end of the financial period comprises:		
Cash and bank balances	2,742	5,889
Fixed deposits with licensed banks	1,835	2,371
Bank overdrafts	<u>-</u>	<u>(528)</u>
	4,577	7,732
Less: Fixed deposits pledged with licensed banks	<u>(1,235)</u>	<u>(871)</u>
	<u><u>3,342</u></u>	<u><u>6,861</u></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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Shares held by ESTS	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	RM'000
<b>As at 1 January 2019</b>	38,435	-	(1,044)	(25,471)	234	5,254	286	17,694
Purchase of ESTS Shares	-	(990)	-	-	-	-	-	(990)
Total comprehensive loss for the period	-	-	-	-	-	(1,213)	(145)	(1,358)
<b>As at 31 December 2019</b>	<b>38,435</b>	<b>(990)</b>	<b>(1,044)</b>	<b>(25,471)</b>	<b>234</b>	<b>4,041</b>	<b>141</b>	<b>15,346</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>-</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 (199601013285 (385635-V)) (“COMPANY”)**

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 Parlo Berhad and its subsidiaries (“**Parlo Group**” or “**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 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, except as mentioned below.

**MFRS 16, Leases (effective for financial periods beginning on or after 1 January 2019)**

MFRS 16 introduces a single accounting model, requiring the lessee to recognise the right-of-use of the underlying lease asset and the present value of future lease payments, discounted using the lessee’s incremental borrowing rate, at the Date of Initial Application.

As at 31 December 2019, the Group recognises right-of-use assets totalling RM0.60 million representing its right to use the underlying assets and lease liabilities totalling RM0.62 million representing its obligations to make lease payments with exemptions for short-term leases and leases of low-value items. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

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”

Amendments to MFRS 3, “Business Combinations” (Definition of a Business)

Amendments to MFRS Standards arising from Definition of Material

- Amendments to MFRS 101, “Presentation of Financial Statements”
- Amendments to MFRS 108, “Accounting Policies, Changes in Accounting Estimates and Errors”

Amendments to MFRS Standards arising from Interest Rate Benchmark Reform

- Amendments to MFRS 7, “Financial Instruments: Disclosures”
- Amendments to MFRS 9, “Financial Instruments”
- Amendments to MFRS 139, “Financial Instruments: Recognition and Measurement”

***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 FYE 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.

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## A9 Segment information

The Group is organised into few business units / brands, which are Premium Group Tours (“**PARLO**”), Affordable Group Tours (“**AGT**”), Muslim Tours (“**Musafir-GO**”), Meetings, Incentives, Conventions and Events (“**DMC 360**”) and Advocate Marketing (“**Buddy Up**”). The segment information is as follows:

	Current quarter		Year-to-date	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>Revenue by business segments:</b>				
Travel and tours	<b>49,637</b>	<b>50,400</b>	<b>143,221</b>	<b>144,998</b>
- PARLO	45,509	47,465	131,170	140,070
- AGT	3,777	2,935	11,700	4,928
- Musafir-GO	351	-	351	-
Meetings, Incentives, Conventions and Events	<b>5,011</b>	<b>5,107</b>	<b>19,350</b>	<b>16,748</b>
-DMC 360	5,011	5,107	19,350	16,748
Membership fees	<b>355</b>	-	<b>355</b>	-
-Buddy Up	355	-	355	-
Investment holding	-	-	-	-
	<b>55,003</b>	<b>55,507</b>	<b>162,926</b>	<b>161,746</b>
<b>Segment results:</b>				
Travel and tours	(12)	(1,936)	(3,058)	(3,303)
Meetings, Incentives, Conventions and Events	650	796	3,391	2,332
Membership fees (Buddy Up)	(194)	-	(194)	-
Investment holding	(1,140)	(890)	(3,204)	(2,961)
Loss from operations	<b>(696)</b>	<b>(2,030)</b>	<b>(3,065)</b>	<b>(3,932)</b>
Impairment of goodwill	-	-	-	(10,369)
Settlement of profit guarantee income	-	1,261	-	1,261
Other operating income	1,001	428	2,296	1,390
Profit / (Loss) before interest and tax (“ <b>PBIT</b> ” / “ <b>LBIT</b> ”)	<b>305</b>	<b>(341)</b>	<b>(769)</b>	<b>(11,650)</b>
Finance income	75	52	167	129
Finance costs	(66)	(58)	(139)	(145)
Profit / (Loss) before taxation (“ <b>PBT</b> ” / “ <b>LBT</b> ”)	<b>314</b>	<b>(347)</b>	<b>(741)</b>	<b>(11,666)</b>
Taxation	(464)	(529)	(617)	(327)
Loss after taxation (“ <b>LAT</b> ”)	<b>(150)</b>	<b>(876)</b>	<b>(1,358)</b>	<b>(11,993)</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 December 2019 up to 21 February 2020, 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 5 December 2019, the Company had acquired a wholly owned subsidiary, Rock Cartel Sdn. Bhd. [Company Registration No.20190104634 (1349964-T)] for RM1 to carry on general advertising and act as an advertising and marketing arm of the Group.

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 and/or capital commitments 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 %	Cumulative period		Changes %
	31 December 2019 RM'000	31 December 2018 RM'000		31 December 2019 RM'000	31 December 2018 RM'000	
Revenue	55,003	55,507	-0.91%	162,926	161,746	0.73%
Loss from operations	(696)	(2,030)	65.71%	(3,065)	(3,932)	22.05%
PBIT / (LBIT) (before exceptional item)	305	(1,602)	119.04%	(769)	(2,542)	69.75%
PBT / LBT (before exceptional item)	314	(1,608)	119.53%	(741)	(2,558)	71.03%
Exceptional item	-	1,261	100%	-	(9,108)	100%
LAT	(150)	(876)	82.88%	(1,358)	(11,993)	88.68%
Loss attributable to owners of the Company	(61)	(877)	93.04%	(1,213)	(11,979)	89.87%

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

The Group recorded a revenue of RM55.00 million for the quarter ended 31 December 2019 (“4Q2019”), a decrease of RM0.51 million as compared to RM55.51 million in the quarter ended 31 December 2018 (“4Q2018”). The lower revenue was mainly due to the increased customer preference towards AGT which is the cheaper and more affordable tours as compared to PARLO.

Total loss from operations for 4Q2019 was RM0.70 million, a decrease of RM1.33 million as compared to RM2.03 million in 4Q2018. The lower loss from operations was mainly due to lower operating cost as a result of the rationalisation plan implemented from 4Q2018 to 4Q2019 and also the improved product cost control measures which the Group have implemented since 1Q2019 including the restructuring of the duplicated routes and tours between PARLO and AGT.

The above factors also contributed to the Group’s lower LAT.

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

	Individual quarter		Changes %
	31 December 2019 RM'000	30 September 2019 RM'000	
Revenue	55,003	29,969	83.53%
Loss from operations	(696)	(1,025)	32.10%
PBIT / (LBIT)	305	(802)	138.03%
PBT / (LBT)	314	(805)	139.01%
LAT	(150)	(845)	82.25%
Loss attributable to owners of the Company	(61)	(806)	92.43%

The Group recorded a higher revenue of RM55.00 million as compared to previous quarter of RM29.97 million and the increase of RM25.03 million was due to significant higher number of tours departure in current quarter compared to the previous quarter as the Group's revenue and profits has traditionally peaked in the fourth quarter of the year.

The improved performance shown in current quarter is also due to the effectiveness from the marketing campaigns launched in the previous quarters.

The Group had collaborated with a Turkey operator and successfully launched chartered flight tours to Turkey which had contributed to the higher revenue and profitability of the Group in the current quarter.

## 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.

In August 2019, the Group launched "Tbroker Marketplace", Tbroker Marketplace is a booking platform integrating all the Group's travel products and is currently adopted by the wholesale agents.

During the current quarter, the Group started pre-marketing of Buddy Up, an advocate marketing programme. 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.

The Group noted that its operating environment had been affected by the Covid-19 outbreak. Nevertheless, the Group has taken corrective actions to lessen the impact and will continue to monitor the situation.

## B4 Profit forecast and profit guarantee

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

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**B5 Taxation**

	Current quarter		Year-to-date	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Current taxation				
- Current year	601	401	748	640
- Prior year	-	(71)	6	(512)
Deferred taxation	(137)	199	(137)	199
Total tax expense/(surplus)	464	529	617	327

Based on the statutory tax rate of 24%, there was a provision for tax amounting to RM0.46 million for 4Q2019 and RM0.62 million for FYE 31 December 2019.

**B6 Status of corporate proposals**

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

**B7 Group's borrowings and debt securities**

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

As at 31 December 2019:

	Short term RM'000	Long term RM'000	Total RM'000
<u>Secured</u>			
Term loan	(67)	(1,939)	(2,006)
Finance lease liabilities	(34)	(26)	(60)
Total	(101)	(1,965)	(2,066)

The effective interest rates were as follows:

	%
Term loan	4.85
Finance lease liabilities	2.53-2.74

The proportion of debt that was based on fixed interest rate and floating interest rate was at 3% and 97%, respectively.

## B8 Financial instruments - Derivatives

There were no financial instruments in the current financial quarter.

## B9 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 balance and the ageing analysis were as follows:

	31 December	
	2019	2018
	RM'000	RM'000
Neither past due nor impaired	4,570	4,176*
Past due 1 - 30 days	719	593*
Past due 31 - 120 days	1,500	156*
Past due more than 120 days	481	1,650*
	2,700	2,399
Individually impaired	-	(27)
	7,270	6,548*

Note:

\* The trade receivables balance for FYE 31 December 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.

## B10 Material litigation

There was no material litigation in the current financial quarter.

**B11 Notes to the statement of comprehensive income**

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

	<b>As at 31 December 2019 RM'000</b>	<b>As at 31 December 2018 RM'000</b>
Interest income	167	129
Interest expense	(139)	(145)
Amortisation of intangible asset	(511)	(20)
Depreciation of property, plant and equipment	(488)	(498)

Other than as disclosed above which have been included in the Consolidated Statement of Profit or Loss and Other 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 4Q2019.

**B12 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 quarter</b>	<b>Preceding year quarter</b>	<b>Current year- to-date</b>	<b>Preceding year-to-date</b>
	<b>31 December 2019</b>	<b>31 December 2018</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
Loss attributable to owners of the Company (RM'000)	(61)	(877)	(1,213)	(11,979)
Weighted average number of shares in issue ('000)	364,033	364,033	364,033	359,188
Basic LPS (sen)	(0.02)	(0.24)	(0.33)	(3.33)

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 December 2019.

**BY ORDER OF THE BOARD,**

CHUA SIEW CHUAN  
CHENG CHIA PING  
COMPANY SECRETARIES

27 February 2020