

**PARLO BERHAD [199601013285 (385635-V)]**  
**Interim financial report for the second quarter ended 30 June 2020**

| <b>PART A2 :- SUMMARY OF KEY FINANCIAL INFORMATION</b>                           |   |   |   |  |
|--|---|---|---|--|
| Summary of Key Financial Information for the financial period ended 30 June 2020 |   |   |   |  |
|  | <b>INDIVIDUAL QUARTER</b>   |   | <b>CUMULATIVE PERIOD</b>  |  |
|  | <b>CURRENT YEAR QUARTER</b><br><b>30 June 2020</b><br><b>RM'000</b> | <b>PRECEDING YEAR CORRESPONDING QUARTER</b><br><b>30 June 2019</b><br><b>RM'000</b> | <b>CURRENT YEAR TO DATE</b><br><b>30 June 2020</b><br><b>RM'000</b> | <b>PRECEDING YEAR CORRESPONDING PERIOD</b><br><b>30 June 2019</b><br><b>RM'000</b> |
| 1. Revenue   | 145   | 45,059  | 14,920  | 77,954   |
| 2. (Loss)/Profit before tax  | (2,569)   | 772   | (4,149)   | (250)  |
| 3. (Loss)/Profit attributable to ordinary equity holders of the Company          | (2,516)   | 662   | (4,042)   | (346)  |
| 4. Basic (loss)/earnings per share (sen)   | (0.69)  | 0.18  | (1.11)  | (0.10)   |
| 5. Dividend per share  | -   | -   | -   | -  |
|  | AS AT END OF CURRENT QUARTER  |   | AS AT PRECEDING FINANCIAL YEAR END                                  |  |
| 6. Net assets per share (RM)   | 0.03  |   | 0.04  |  |

| <b>PART A3 :- ADDITIONAL INFORMATION</b> |   |   |   |  |
|--|---|---|---|--|
|  | <b>INDIVIDUAL QUARTER</b>   |   | <b>CUMULATIVE PERIOD</b>  |  |
|  | <b>CURRENT YEAR QUARTER</b><br><b>30 June 2020</b><br><b>RM'000</b> | <b>PRECEDING YEAR CORRESPONDING QUARTER</b><br><b>30 June 2019</b><br><b>RM'000</b> | <b>CURRENT YEAR TO DATE</b><br><b>30 June 2020</b><br><b>RM'000</b> | <b>PRECEDING YEAR CORRESPONDING PERIOD</b><br><b>30 June 2019</b><br><b>RM'000</b> |
| 1. (Loss)/Profit before interest and tax | (2,468)   | 741   | (4,027)   | (272)  |
| 2. Gross interest income                 | 8   | 50  | 22  | 72   |
| 3. Gross Interest expense                | (109)   | (19)  | (144)   | (50)   |

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

|   | INDIVIDUAL QUARTER                             |  | CUMULATIVE PERIOD                              |   |
|---|--|--|--|---|
|   | CURRENT YEAR QUARTER<br>30 June 2020<br>RM'000 | PRECEDING YEAR CORRESPONDING QUARTER<br>30 June 2019<br>RM'000 | CURRENT YEAR TO DATE<br>30 June 2020<br>RM'000 | PRECEDING YEAR CORRESPONDING PERIOD<br>30 June 2019<br>RM'000 |
| Revenue   | 145  | 45,059   | 14,920   | 77,954  |
| Cost of sales   | (132)  | (40,029)   | (13,437)                                       | (69,446)  |
| <b>Gross profit</b>                                     | 13   | 5,030  | 1,483  | 8,508   |
| Administrative expenses                                 | (2,453)  | (4,682)  | (5,757)  | (9,852)   |
| <b>(Loss)/Profit from operations</b>                    | (2,440)  | 348  | (4,274)  | (1,344)   |
| Other operating income                                  | (28)   | 393  | 247  | 1,072   |
| <b>(Loss)/Profit before interest and tax</b>            | (2,468)  | 741  | (4,027)  | (272)   |
| Finance income  | 8  | 50   | 22   | 72  |
| Finance costs   | (109)  | (19)   | (144)  | (50)  |
| <b>(Loss)/Profit before taxation</b>                    | (2,569)  | 772  | (4,149)  | (250)   |
| Taxation  | -  | (113)  | -  | (113)   |
| <b>(Loss)/Profit after taxation</b>                     | (2,569)  | 659  | (4,149)  | (363)   |
| <b>Total comprehensive (loss)/profit for the period</b> | (2,569)  | 659  | (4,149)  | (363)   |
| (Loss)/Profit attributable to:                          |  |  |  |   |
| Owners of the Company                                   | (2,516)  | 662  | (4,042)  | (346)   |
| Non-controlling Interest                                | (53)   | (3)  | (107)  | (17)  |
|   | (2,569)  | 659  | (4,149)  | (363)   |
| Total comprehensive (loss)/profit attributable to:      |  |  |  |   |
| Owners of the Company                                   | (2,516)  | 662  | (4,042)  | (346)   |
| Non-controlling interest                                | (53)   | (3)  | (107)  | (17)  |
|   | (2,569)  | 659  | (4,149)  | (363)   |
| Basic (loss)/earnings per share (sen)<br>(Note B12)     | (0.69)   | 0.18   | (1.11)   | (0.10)  |

The condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 June 2020**

|   | As at<br>30 June 2020<br>RM'000<br>(Unaudited) | As at<br>31 December 2019<br>RM'000<br>(Audited) |
|---|--|--|
| <b>ASSETS</b>   |  |  |
| <b>Non-current assets</b>                                 |  |  |
| Property, plant and equipment                             | 4,384  | 4,588  |
| Intangible assets   | 1,753  | 2,004  |
| Investment properties                                     | 1,180  | 1,180  |
| Right-of-use assets                                       | 546  | 605  |
| Deferred tax assets                                       | 1,074  | 1,074  |
|   | <u>8,937</u>                                   | <u>9,451</u>                                     |
| <b>Current assets</b>                                     |  |  |
| Trade and other receivables                               | 7,429  | 12,101   |
| Tax recoverable   | 4,633  | 4,584  |
| Financial assets at fair value through profit or loss     | 166  | 166  |
| Fixed deposit with licensed banks                         | 1,285  | 1,835  |
| Cash and bank balances                                    | 2,055  | 2,742  |
|   | <u>15,568</u>                                  | <u>21,428</u>                                    |
| <b>TOTAL ASSETS</b>                                       | <u>24,505</u>                                  | <u>30,879</u>                                    |
| <b>Current liabilities</b>                                |  |  |
| Trade payables and other payables                         | 3,118  | 12,402   |
| Borrowings  | 6,184  | 67   |
| Lease liabilities   | 144  | 142  |
| Current tax liabilities                                   | 282  | 300  |
|   | <u>9,728</u>                                   | <u>12,911</u>                                    |
|   | <u>14,777</u>                                  | <u>17,968</u>                                    |
| <b>Non-current liabilities</b>                            |  |  |
| Borrowings  | 1,919  | 1,939  |
| Lease liabilities   | 471  | 536  |
| Deferred tax liabilities                                  | 146  | 146  |
|   | <u>2,536</u>                                   | <u>2,621</u>                                     |
| <b>Equity attributable to owners of the Company</b>       |  |  |
| Share capital   | 38,435   | 38,435   |
| Shares held under ESTS Trust                              | (990)  | (990)  |
| Reserves  | (25,237)                                       | (26,281)   |
| (Accumulated Losses)/Retained earnings                    | (187)  | 3,855  |
|   | <u>12,021</u>                                  | <u>15,019</u>                                    |
| <b>Equity not attributable to owners of the Company</b>   |  |  |
| Non-controlling interests                                 | 220  | 328  |
| <b>TOTAL EQUITY</b>                                       | <u>12,241</u>                                  | <u>15,347</u>                                    |
|   | <u>14,777</u>                                  | <u>17,968</u>                                    |
| Number of ordinary shares in issue ('000)                 | 364,033  | 364,033  |
| Net assets per share attributable to ordinary equity (RM) | 0.03   | 0.04   |

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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

Interim financial report for the second quarter ended 30 June 2020

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|   | <b>CURRENT<br/>YEAR TO DATE<br/>30 June 2020<br/>RM'000</b> | <b>PRECEDING YEAR<br/>CORRESPONDING<br/>PERIOD<br/>30 June 2019<br/>RM'000</b> |
|---|---|--|
| <b>Cash flows from operating activities</b>                         |   |  |
| Loss before taxation  | (4,149)   | (250)  |
| Adjustments for:  |   |  |
| Depreciation of property, plant and equipment                       | 212   | 201  |
| Depreciation of rights-of-use assets                                | 59  | -  |
| Amortisation  | 250   | 5  |
| (Gain) / Loss on disposal of PPE                                    | (3)   | 11   |
| Loss on disposal of profit guarantee shares                         | 146   | -  |
| Interest expense  | 144   | 50   |
| Interest income   | (22)  | (72)   |
| Operating loss before working capital changes                       | <u>(3,363)</u>  | <u>(55)</u>  |
| (Increase) / Decrease in working capital:                           |   |  |
| Trade receivables   | 4,885   | 513  |
| Other receivables   | (213)   | 2,124  |
| Trade payables  | (4,264)   | (2,897)  |
| Other payables  | <u>(5,019)</u>  | <u>(552)</u>   |
| Cash generated from / (used in) operations                          | <u>(7,974)</u>  | <u>(867)</u>   |
| Taxation paid   | (68)  | (985)  |
| Interest received   | 22  | 72   |
| Interest paid   | <u>(144)</u>  | <u>(50)</u>  |
| Net cash used in operating activities                               | <u>(8,164)</u>  | <u>(1,830)</u>   |
| <b>Cash flows from investing activities</b>                         |   |  |
| Software development cost   | -   | (183)  |
| Acquisition of Trademarks and right to use                          | -   | (2)  |
| Purchase of property, plant and equipment                           | (8)   | (658)  |
| Disposal of property, plant and equipment                           | 3   | 14   |
| Disposal of profit guarantee shares                                 | 898   | -  |
| Net cash generated from / (used in) investing activities            | <u>893</u>  | <u>(829)</u>   |
| <b>Cash flows from financing activities</b>                         |   |  |
| Repayment of bank borrowings  | (25)  | (271)  |
| Drawdown of bank borrowings   | 4,000   | -  |
| Repayment of lease liabilities                                      | (63)  | -  |
| Net cash (used in) / generated from financing activities            | <u>3,912</u>  | <u>(271)</u>   |
| Net increase in cash and cash equivalents                           | (3,359)   | (2,930)  |
| Cash and cash equivalents at beginning of the financial period      | <u>3,342</u>  | <u>6,861</u>   |
| Cash and cash equivalents at end of the financial period            | <u>(17)</u>   | <u>3,931</u>   |
| Cash and cash equivalents at end of the financial period comprises: |   |  |
| Cash and bank balances  | 2,055   | 3,363  |
| Fixed deposits with licensed banks                                  | 1,285   | 1,822  |
| Bank overdrafts   | <u>(2,122)</u>  | <u>(383)</u>   |
|   | 1,218   | 4,802  |
| Less: Fixed deposits pledged with licensed banks                    | <u>(1,235)</u>  | <u>(871)</u>   |
|   | <u>(17)</u>   | <u>3,931</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

**PARLO BERHAD [199601013285 (385635-V)]**  
**Interim financial report for the second quarter ended 30 June 2020**

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

|   | Share capital | Shares held under ESTS Trust | Profit Guarantee Shares for disposal | Reverse Acquisition Reserve | Revaluation Reserve | Retained earnings | Total         | Non-Controlling Interest | Total equity  |
|---|---------------|------------------------------|--------------------------------------|-----------------------------|---------------------|-------------------|---------------|--------------------------|---------------|
|   | RM'000        | RM'000                       | RM'000                               | RM'000                      | RM'000              | RM'000            | RM'000        | RM'000                   | RM'000        |
| <b>As at 1 January 2020</b>             | 38,435        | (990)                        | (1,044)                              | (25,471)                    | 234                 | 3,855             | 15,019        | 327                      | 15,346        |
| Disposal of profit guarantee shares     | -             | -                            | 1,044                                | -                           | -                   | -                 | 1,044         | -                        | 1,044         |
| Total comprehensive loss for the period | -             | -                            | -                                    | -                           | -                   | (4,042)           | (4,042)       | (107)                    | (4,149)       |
| <b>As at 30 June 2020</b>               | <b>38,435</b> | <b>(990)</b>                 | <b>-</b>                             | <b>(25,471)</b>             | <b>234</b>          | <b>(187)</b>      | <b>12,021</b> | <b>220</b>               | <b>12,241</b> |
| <b>As at 1 January 2019</b>             | 38,435        | -                            | (1,044)                              | (25,471)                    | 234                 | 5,254             | 17,408        | 286                      | 17,694        |
| Purchase of ESTS Shares                 | -             | (990)                        | -                                    | -                           | -                   | -                 | (990)         | -                        | (990)         |
| Total comprehensive loss for the period | -             | -                            | -                                    | -                           | -                   | (1,399)           | (1,399)       | 41                       | (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>3,855</b>      | <b>15,019</b> | <b>327</b>               | <b>15,346</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

**PARLO BERHAD (199601013285 (385635-V)) (“COMPANY”)**

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

**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 2019.

**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 2019.

Accounting standards, amendments to accounting standards and IC Interpretations that are effective for the Group’s financial year beginning on 1 January 2020 are as follows:

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

Amendments to References to Conceptual Framework in MFRS standards

- 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”

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 2021:***

- MFRS 17, “Insurance Contracts”

***Annual periods beginning on/after 1 January 2022:***

- Amendments to MFRS 101, “Classification of Liabilities as Current or Non-current”

***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 2019 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**

Save for the disposal of 9.40 million Profit Guarantee Shares, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial period-to-date.

| No | Date       | Disposal Amount<br>(RM) |
|----|------------|-------------------------|
| 1  | 8 May 2020 | 898,123                 |

**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              |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
|   | 30 June<br>2020<br>RM'000 | 30 June<br>2019<br>RM'000 | 30 June<br>2020<br>RM'000 | 30 June<br>2019<br>RM'000 |
| <b>Revenue by business segments:</b>  |                           |                           |                           |                           |
| Travel and tours  | <b>31</b>                 | <b>40,776</b>             | <b>11,868</b>             | <b>70,611</b>             |
| - PARLO   | 31                        | 36,711                    | 11,114                    | 63,329                    |
| - AGT   | -                         | 4,065                     | 754                       | 7,282                     |
| - Musafir-GO  | -                         | -                         | -                         | -                         |
| Meetings, Incentives,<br>Conventions and Events                               | -                         | <b>4,283</b>              | <b>2,479</b>              | <b>7,343</b>              |
| -DMC 360  | -                         | 4,283                     | 2,479                     | 7,343                     |
| Membership fees   | <b>114</b>                | -                         | <b>573</b>                | -                         |
| -Buddy Up   | 114                       | -                         | 573                       | -                         |
| Investment holding  | -                         | -                         | -                         | -                         |
|   | <b>145</b>                | <b>45,059</b>             | <b>14,920</b>             | <b>77,954</b>             |
| <b>Segment results:</b>   |                           |                           |                           |                           |
| Travel and tours  | (1,609)                   | 211                       | (3,199)                   | (1,491)                   |
| Meetings, Incentives,<br>Conventions and Events                               | -                         | 799                       | 448                       | 1,259                     |
| Membership fees (Buddy Up)  | (41)                      | -                         | (30)                      | -                         |
| Investment holding  | (790)                     | (662)                     | (1,493)                   | (1,112)                   |
| (Loss)/Profit from operations   | <b>(2,440)</b>            | <b>348</b>                | <b>(4,274)</b>            | <b>(1,344)</b>            |
| Other operating income  | (28)                      | 393                       | 247                       | 1,072                     |
| (Loss)/Profit before interest and<br>tax (“ <b>LBIT</b> ”)/ (“ <b>PBIT</b> ”) | <b>(2,468)</b>            | <b>741</b>                | <b>(4,027)</b>            | <b>(272)</b>              |
| Finance income  | 8                         | 50                        | 22                        | 72                        |
| Finance costs   | (109)                     | (19)                      | (144)                     | (50)                      |
| (Loss)/Profit before taxation<br>(“ <b>LBT</b> ”)/ (“ <b>PBT</b> ”)           | <b>(2,569)</b>            | <b>772</b>                | <b>(4,149)</b>            | <b>(250)</b>              |
| Taxation  | -                         | (113)                     | -                         | (113)                     |
| (Loss)/Profit after taxation<br>(“ <b>LAT</b> ”)/ (“ <b>PAT</b> ”)            | <b>(2,569)</b>            | <b>659</b>                | <b>(4,149)</b>            | <b>(363)</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**

The outbreak of Coronavirus Disease 2019 (“**COVID-19**”) has brought significant economic uncertainties to Malaysians and the market in which the Group operates. The Group expects the current situation to have an adverse impact on its results for the financial year ending 31 December 2020. Other than the impact of the COVID-19 pandemic, there were no material events subsequent to the current financial quarter ended 30 June 2020 up to 21 August 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**

There was no change 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<br>% | Cumulative period         |                           | Changes<br>% |
|--|---------------------------|---------------------------|--------------|---------------------------|---------------------------|--------------|
|  | 30 June<br>2020<br>RM'000 | 30 June<br>2019<br>RM'000 |              | 30 June<br>2020<br>RM'000 | 30 June<br>2019<br>RM'000 |              |
| Revenue  | 145                       | 45,059                    | -99.68       | 14,920                    | 77,954                    | -80.86       |
| (Loss)/<br>Profit from<br>operations                         | (2,440)                   | 348                       | -801.15      | (4,274)                   | (1,344)                   | -218.01      |
| (LBIT)/PBIT  | (2,468)                   | 741                       | -433.06      | (4,027)                   | (272)                     | -1,380.51    |
| (LBT)/PBT  | (2,569)                   | 772                       | -432.77      | (4,149)                   | (250)                     | -1,559.60    |
| (LAT)/PAT  | (2,569)                   | 659                       | -489.83      | (4,149)                   | (363)                     | -1,042.98    |
| (Loss)/Profit<br>attributable to<br>owners of the<br>Company | (2,516)                   | 662                       | -480.06      | (4,042)                   | (346)                     | -1,068.21    |

The revenue of the Group for the financial period ended (“FPE”) 30 June 2020 was derived mainly from its main operating subsidiary, Parlo Tours Sdn. Bhd. (“Parlo Tours”).

The Group recorded a revenue of RM0.15 million for the quarter ended 30 June 2020 (“2Q2020”), a decrease of RM44.91 million as compared to RM45.06 million in the quarter ended 30 June 2019 (“2Q2019”). The lower revenue was mainly due to the COVID-19 pandemic that impacted the whole travel industry.

Due to the COVID-19 pandemic, the Group generated minimal revenue for 2Q2020, which comprises of ticketing sales and membership fees.

The other operating income for the Group had been negatively impacted for the current quarter due to overall foreign currency loss for 2Q2020 exceeding other sources of operating income.

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

However, the higher LAT was partially offset by the lower administrative expenses of RM2.45 million for the current quarter (2Q2019: RM5.76 million) as the Group had rationalised its costs by reducing expenses such as staff costs and advertising expenses.

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

|  | Individual quarter     |                            | Changes<br>% |
|--|------------------------|----------------------------|--------------|
|  | 30 June 2020<br>RM'000 | 31 March<br>2020<br>RM'000 |              |
| Revenue                                    | 145                    | 14,775                     | -99.02       |
| Loss from operations                       | (2,440)                | (1,834)                    | -33.04       |
| LBIT                                       | (2,468)                | (1,559)                    | -58.31       |
| LBT  | (2,569)                | (1,580)                    | -62.59       |
| LAT  | (2,569)                | (1,580)                    | -62.59       |
| Loss attributable to owners of the Company | (2,516)                | (1,526)                    | -64.88       |

The Group recorded a lower revenue of RM0.15 million as compared to previous quarter of RM14.78 million and the decrease of RM14.63 million was due to the impact of the COVID-19 pandemic only taking place partially in the previous quarter ended 31 March 2020 ("1Q2020") as compared to the full impact arising from COVID-19 pandemic in 2Q2020.

For 2Q2020, the Group had rationalised its costs by reducing expenses and as such, the administrative expenses for the current quarter of RM2.45 million is relatively lower than 1Q2020 of RM3.30 million. The major reduction in expenses are mainly to staff costs and advertising expenses.

Despite the decrease in expenses, the Group still recorded higher loss from operations in 2Q2020 as compared to 1Q2020 as a result of significant lower revenue for the current quarter.

## B3 Prospects

The Group (under its main operating subsidiary, Parlo Tours) is an established travel management and services group, with over 40 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 COVID-19 pandemic has taken a toll on the Malaysian economy as well as many countries around the world, with most countries still in different implementation and easing phases of their unprecedented lockdown measures as at to date. These lockdown measures in the respective country have also impacted the operations of the Group's main subsidiary, Parlo Tours.

With uncertainty of economic recovery, the Group is actively pursuing measures to manage its operating costs and reassess the Group's future business plans to minimise the impact arising from the COVID-19 pandemic.

The sales outlets will be implementing new social distancing rules and other guidelines under the Standard Operating Procedures issued by the National Security Council. The introduction of these measures and fear of contracting COVID-19 may affect customers' confidence in the short term.

The Group is expecting a challenging operating and financial performance for the financial year ending 31 December 2020 but in spite of the above, the Group is hopeful that the business will gradually recover given that the travel industry was fairly resilient in past crisis.

**B4 Profit forecast and profit guarantee**

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

**B5 Taxation**

There was no provision for tax for 2Q2020 as the Group had incurred losses for this current quarter.

**B6 Status of corporate proposals**

There are no corporate proposals announced but pending completion 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 30 June 2020:

|                  | Short term<br>RM'000 | Long term<br>RM'000 | Total<br>RM'000 |
|------------------|----------------------|---------------------|-----------------|
| <u>Secured</u>   |                      |                     |                 |
| Term loan        | 62                   | 1,919               | 1,981           |
| Overdraft        | 2,122                | -                   | 2,122           |
| Revolving Credit | 4,000                | -                   | 4,000           |
| Total            | 6,184                | 1,919               | 8,103           |
|                  |                      |                     |                 |

The effective interest rates were as follows:

|                  |           |
|------------------|-----------|
|                  | %         |
| Term loan        | 3.70      |
| Overdraft        | 6.70      |
| Revolving Credit | 4.17      |
| Finance lease    | 2.53-4.86 |

The proportion fixed interest rate debt and floating interest rate debt was 0.62% and 99.38%, respectively.

**B8 Financial instruments - Derivatives**

There were no financial instruments in the current financial quarter.

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## 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 the current quarter.

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

|                               | 30 June        |                |
|-------------------------------|----------------|----------------|
|                               | 2020<br>RM'000 | 2019<br>RM'000 |
| Neither past due nor impaired | 347            | 4,284          |
| Past due 1 - 30 days          | 314            | 878            |
| Past due 31 - 120 days        | 859            | 564            |
| Past due more than 120 days   | 858            | 335            |
|                               | 2,031          | 1,777          |
| Individually impaired         | -              | (27)           |
|                               | 2,378          | 6,034          |

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:

|   | As at 30 June<br>2020<br>RM'000 | As at 30 June<br>2019<br>RM'000 |
|---|---------------------------------|---------------------------------|
|   | Interest income                 | 22                              |
| Interest expense                              | (144)                           | (50)                            |
| Amortisation of intangible asset              | 250                             | 5                               |
| Depreciation of property, plant and equipment | 212                             | (201)                           |
| Depreciation of right-of-use assets           | 59                              | -                               |

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 2Q2020.

**B12 (Loss)/Earnings per share (“LPS”)/ (“EPS”)**

Basic (LPS)/EPS was calculated by dividing the (loss)/profit 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    | Preceding year quarter | Current year-to-date | Preceding year-to-date |
|  | 30 June 2020       | 30 June 2019           | 30 June 2020         | 30 June 2019           |
| (Loss)/profit attributable to owners of the Company (RM'000) | (2,516)            | 662                    | (4,042)              | (346)                  |
| Weighted average number of shares in issue ('000)            | 364,033            | 364,033                | 364,033              | 364,033                |
| Basic (LPS)/EPS (sen)  | (0.69)             | 0.18                   | (1.11)               | (0.10)                 |

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 30 June 2020.

**BY ORDER OF THE BOARD,**

CHUA SIEW CHUAN  
CHENG CHIA PING  
COMPANY SECRETARIES

27 August 2020