

PARLO BERHAD [199601013285 (385635-V)]
Interim financial report for the third quarter ended 30 September 2020

PART A2 :- SUMMARY OF KEY FINANCIAL INFORMATION				
Summary of Key Financial Information for the financial period ended 30 September 2020				
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30 September 2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 September 2019 RM'000	CURRENT YEAR TO DATE 30 September 2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 September 2019 RM'000
1. Revenue	775	29,969	15,695	107,923
2. Loss before tax	(2,193)	(805)	(6,342)	(1,055)
3. Loss attributable to ordinary equity holders of the Company	(2,264)	(806)	(6,305)	(1,152)
4. Basic loss per share (sen)	(0.62)	(0.22)	(1.73)	(0.32)
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	

PART A3 :- ADDITIONAL INFORMATION				
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30 September 2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 September 2019 RM'000	CURRENT YEAR TO DATE 30 September 2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 September 2019 RM'000
1. Loss before interest and tax	(2,087)	(802)	(6,114)	(1,074)
2. Gross interest income	3	20	25	92
3. Gross Interest expense	(109)	(23)	(253)	(73)

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30 September 2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 September 2019 RM'000	CURRENT YEAR TO DATE 30 September 2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 September 2019 RM'000
Revenue	775	29,969	15,695	107,923
Cost of sales	(509)	(25,332)	(13,946)	(94,778)
Gross profit	266	4,637	1,749	13,145
Administrative expenses	(2,340)	(5,662)	(8,097)	(15,514)
Loss from operations	(2,074)	(1,025)	(6,348)	(2,369)
Other operating income	(13)	223	234	1,295
Loss before interest and tax	(2,087)	(802)	(6,114)	(1,074)
Finance income	3	20	25	92
Finance costs	(109)	(23)	(253)	(73)
Loss before taxation	(2,193)	(805)	(6,342)	(1,055)
Taxation	(117)	(40)	(117)	(153)
Loss after taxation	(2,310)	(845)	(6,459)	(1,208)
Total comprehensive loss for the period	(2,310)	(845)	(6,459)	(1,208)
Loss attributable to:				
Owners of the Company	(2,264)	(806)	(6,305)	(1,152)
Non-controlling Interest	(46)	(39)	(154)	(56)
	(2,310)	(845)	(6,459)	(1,208)
Total comprehensive loss attributable to:				
Owners of the Company	(2,264)	(806)	(6,305)	(1,152)
Non-controlling interest	(46)	(39)	(154)	(56)
	(2,310)	(845)	(6,459)	(1,208)
Basic loss per share (sen) (Note B12)	(0.62)	(0.22)	(1.73)	(0.32)

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.

PARLO BERHAD [199601013285 (385635-V)]
Interim financial report for the third quarter ended 30 September 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 September 2020

	As at 30 September 2020 RM'000 (Unaudited)	As at 31 December 2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	4,273	4,588
Intangible assets	1,628	2,004
Investment properties	1,180	1,180
Right-of-use assets	517	605
Deferred tax assets	1,074	1,074
	8,672	9,451
Current assets		
Trade and other receivables	6,468	12,101
Tax recoverable	4,483	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	2,950	2,742
	15,352	21,428
TOTAL ASSETS	24,024	30,879
Current liabilities		
Trade payables and other payables	2,370	12,402
Borrowings	7,102	67
Lease liabilities	161	142
Current tax liabilities	248	300
	9,881	12,911
	14,143	17,968
Non-current liabilities		
Borrowings	1,899	1,939
Lease liabilities	426	536
Deferred tax liabilities	146	146
	2,471	2,621
Equity attributable to owners of the Company		
Share capital	38,435	38,435
Shares held under ESTS Trust	-	(990)
Reserves	(24,487)	(26,281)
Retained earnings/(Accumulated losses)	(2,450)	3,855
	11,498	15,019
Equity not attributable to owners of the Company		
Non-controlling interests	174	328
TOTAL EQUITY	11,672	15,347
	14,143	17,968
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 third quarter ended 30 September 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR TO DATE 30 September 2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 September 2019 RM'000
Cash flows from operating activities		
Loss before taxation	(6,342)	(1,055)
Adjustments for:		
Depreciation of property, plant and equipment	323	360
Depreciation of rights-of-use assets	88	-
Amortisation	375	259
(Gain) / Loss on disposal of PPE	(3)	11
Loss on disposal of profit guarantee shares	146	
Interest expense	253	73
Interest income	(22)	(92)
Operating loss before working capital changes	<u>(5,182)</u>	<u>(444)</u>
(Increase) / Decrease in working capital:		
Trade receivables	5,273	(1,862)
Other receivables	203	(934)
Trade payables	(4,508)	(5,607)
Other payables	(5,367)	12,626
Cash generated from / (used in) operations	<u>(9,581)</u>	<u>3,779</u>
Taxation paid	(68)	(1,324)
Interest received	22	92
Interest paid	(253)	(73)
Net cash used in operating activities	<u>(9,880)</u>	<u>2,474</u>
Cash flows from investing activities		
Software development cost	-	(298)
Acquisition of Trademarks and right to use	(8)	(2)
Purchase of property, plant and equipment	-	(748)
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>(1,034)</u>
Cash flows from financing activities		
Repayment of bank borrowings	(41)	(1,326)
Drawdown of bank borrowings	4,000	1,582
Repayment of lease liabilities	(91)	-
Disposal of shares held by ESTS	1,740	-
Fixed deposit pledged to licensed banks	-	(350)
Net cash (used in) / generated from financing activities	<u>5,608</u>	<u>(94)</u>
Net increase in cash and cash equivalents	(3,379)	1,346
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>(37)</u>	<u>8,207</u>
Cash and cash equivalents at end of the financial period comprises:		
Cash and bank balances	2,950	6,607
Fixed deposits with licensed banks	1,285	2,821
Bank overdrafts	(3,037)	-
	<u>1,198</u>	<u>9,428</u>
Less: Fixed deposits pledged with licensed banks	(1,235)	(1,221)
	<u>(37)</u>	<u>8,207</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 third quarter ended 30 September 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Shares held under ESTS Trust	Profit Guarantee Shares for disposal held	Reverse Acquisition Reserve	Revaluation Reserve	ESTS Reserve	Retained earnings/ (Accumulated losses)	Total	Non-Controlling Interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2020	38,435	(990)	(1,044)	(25,471)	234	-	3,855	15,019	328	15,347
Disposal of profit guarantee shares	-	-	1,044	-	-	-	-	1,044	-	1,044
Disposal of shares held under ESTS Trust	-	990	-	-	-	750	-	1,740	-	1,740
Total comprehensive loss for the period	-	-	-	-	-	-	(6,305)	(6,305)	(154)	(6,459)
As at 30 September 2020	38,435	-	-	(25,471)	234	750	(2,450)	11,498	174	11,672
As at 1 January 2019	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)	42	(1,357)
As at 31 December 2019	38,435	(990)	(1,044)	(25,471)	234	-	3,855	15,019	328	15,347

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 THIRD QUARTER ENDED 30 SEPTEMBER 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:

- Amendments to References to the Conceptual Framework in MFRS Standards:
 - Amendments to MFRS 2, “Share Based Payments”
 - Amendments to MFRS 3, “Business Combinations”
 - Amendments to MFRS 6, “Exploration for and Evaluation of Mineral Resources”
 - Amendments 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”
 - Amendments to MFRS 138, “Intangible Assets”
 - Amendments to IC Interpretation 12, “Service Concession Arrangements”
 - Amendments to IC Interpretation 19, “Extinguishing Financial Liabilities with Equity Instruments”
 - Amendments to IC Interpretation 20, “Stripping Costs in the Production Phase of a Surface Mine”
 - Amendments to IC Interpretation 22, “Foreign Currency Transactions and Advance Considerations”
 - Amendments 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”

The above accounting standards, amendments to accounting standards and IC interpretation effective during the financial year do not have any significant impact to the financial results and position of the Group, except as follows:

The Group early adopted amendment to MFRS 16, “COVID-19-Related Rent Concessions” which exempts lessees from having to determine whether rent concessions on individual lease contracts as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications.

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

Annual periods beginning on/after 1 January 2021

- Amendments to MFRS Standards arising from Interest Rate Benchmark Reform – Phase 2:
 - Amendments to MFRS 4, “Insurance Contracts”
 - Amendments to MFRS 7, “Financial Instruments: Disclosures”
 - Amendments to MFRS 9, “Financial Instruments”
 - Amendments to MFRS 16, “Leases”
 - Amendments to MFRS 139, “Financial Instruments: Recognition and Measurement”

Annual periods beginning on/after 1 January 2022

- Amendments to MFRS 3, “Business Combinations” (Reference to the Conceptual Framework)
- Amendments to MFRS 116, “Property, Plant and Equipment” (Proceeds before Intended Use)
- Amendments to MFRS 137, “Provision, Contingent Liabilities and Contingent Assets” (Onerous Contracts - Cost of Fulfilling a Contract)
- Annual Improvement to MFRS Standards 2018 – 2020:
 - Amendment to MFRS 101, “First-time Adoption of Malaysian Financial Reporting Standards”
 - Amendment to MFRS 9, “Financial Instruments”
 - Amendment to Illustrative Examples accompanying MFRS 16, “Leases”
 - Amendment to MFRS 141, “Agriculture”

Annual periods beginning on/after 1 January 2023

- MFRS 17, “Insurance Contracts”
- Amendments to MFRS 17, “Insurance Contracts”
- Amendments to MFRS 101, “Presentation of Financial Statements” (Classification of Liabilities as Current or Non-current)

The adoption of the accounting standards, amendments to accounting standards, IC Interpretation and amendments to IC Interpretation are not expected to have any significant impact to the financial statements of the Group and of the Company.

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. Due to the outbreak of Coronavirus Disease 2019 (“**COVID-19**”) pandemic and the implementation of restricted movements by various countries, the seasonal factors previously mentioned will most likely not be applicable until the industry recovers to normalcy.

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 (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 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Revenue by business segments:				
Travel and tours	754	22,973	12,622	93,584
- PARLO	754	22,332	11,868	85,661
- AGT	-	641	754	7,923
- Musafir-GO	-	-	-	-
Meetings, Incentives, Conventions and Events	-	6,696	2,479	14,339
-DMC 360	-	6,696	2,479	14,339
Membership fees	21	-	594	-
-Buddy Up	21	-	594	-
Investment holding	-	-	-	-
	775	29,969	15,695	107,923
Segment results:				
Travel and tours	(869)	(1,555)	(4,068)	(3,046)
Meetings, Incentives, Conventions and Events	-	1,482	448	2,741
Membership fees (Buddy Up)	(146)	-	(176)	-
Investment holding	(1,059)	(951)	(2,552)	(2,064)
Loss from operations	(2,074)	(1,025)	(6,348)	(2,369)
Other operating income	(13)	223	234	1,295
Loss before interest and tax ("LBIT")	(2,087)	(802)	(6,114)	(1,074)
Finance income	3	20	25	92
Finance costs	(109)	(23)	(253)	(73)
Loss before taxation ("LBT")	(2,193)	(805)	(6,342)	(1,055)
Taxation	(117)	(40)	(117)	(153)
Loss after taxation ("LAT")	(2,310)	(845)	(6,459)	(1,208)

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 COVID-19 pandemic 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 September 2020 up to 21 November 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 %	Cumulative period		Changes %
	30 September 2020 RM'000	30 September 2019 RM'000		30 September 2020 RM'000	30 September 2019 RM'000	
Revenue	775	29,969	-97.41	15,695	107,923	-85.46
Loss from operations	(2,074)	(1,025)	-104.20	(6,348)	(2,369)	-168.76
LBIT	(2,087)	(802)	-162.59	(6,114)	(1,074)	-471.04
LBT	(2,193)	(805)	-172.42	(6,342)	(1,055)	-501.14
LAT	(2,310)	(845)	-173.37	(6,459)	(1,208)	-434.69
Loss attributable to owners of the Company	(2,264)	(806)	-180.89	(6,305)	(1,152)	-447.31

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

The Group recorded a revenue of RM0.78 million for the quarter ended 30 September 2020 (“**3Q2020**”), a decrease of RM29.19 million as compared to RM29.97 million in the quarter ended 30 September 2019 (“**3Q2019**”). 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 3Q2020, 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 3Q2020 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 RM2.34 million for the current quarter (3Q2019: RM5.66 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 %
	30 September 2020 RM'000	30 June 2020 RM'000	
Revenue	775	145	434.48
Loss from operations	(2,074)	(2,440)	14.22
LBIT	(2,087)	(2,468)	14.67
LBT	(2,193)	(2,569)	14.64
LAT	(2,310)	(2,569)	10.08
Loss attributable to owners of the Company	(2,264)	(2,516)	10.02

The Group recorded a higher revenue of RM0.78 million as compared to previous quarter of RM0.15 million and the increase of RM0.63 million was due to relaxation of measures on the curbing of COVID-19 pandemic undertaken by the Malaysian government which allowed for more flexibility of travel thus boosting revenue in the form of ticketing sales.

For 3Q2020, the administrative expenses for the current quarter of RM2.34 million is slightly lower than 2Q2020 of RM2.45 million. The administrative expenses were fairly constant as the Group had already taken measures to reduce costs in 2Q2020.

B3 Prospects

The Group (under its wholly owned 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 each country implementing various lockdown initiatives depending on their respective situations. These lockdown measures as such have significantly impacted the operations of the Group's main subsidiary, Parlo Tours, by effectively grounding most of its business to a halt.

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

On 25 September 2020, the Group has announced and entered into a Provision of Service Agreement with Diamond Palace Group of Companies Limited and Agensi Pekerjaan Seaview Hectare ("Service Agreement") to facilitate the travel and logistical arrangements of migrant workers from Myanmar. The Group is optimistic that this venture offers the group another source of revenue while still utilises the core competencies of the Group (i.e. arranging for transportation and accommodation) which had been developed over the past 4 decades.

The Group had also announced a private placement exercise on 3 November 2020 which is expected to be completed by the end of December 2020. This private placement exercise is expected to raise RM12.0 million (based on an illustrative issue price of RM0.355 per new ordinary share in Parlo ("Parlo Shares")) of proceeds to be utilise for this new business. The group do not expect any material contribution from this investment for the remaining period of the current financial year.

Given the emergence of 2nd wave of infection cases both home and abroad, the Group's financial performance ending 31 December 2020 is expected to be adversely effected as compared with FY 2019.

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	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Current taxation				
- Current year	-	34	-	147
- Prior year	117	6	117	6
Deferred taxation	-	-	-	-
Total tax expense	117	40	117	153

The tax expense arising in 3Q2020 is due to adjustment for the difference between estimated and actual tax expense for the year ended 31 December 2019.

There was no provision for tax for 3Q2020 as the Group had incurred losses for this current quarter.

B6 Status of corporate proposals

There are no upcoming corporate proposals to be announced or pending completion as at the LPD save for the following:

- (i) On 3 November 2020, Mercury Securities Sdn Bhd announced on behalf of the Board of Directors of the Company that the Company proposes to undertake a private placement of up to 72,800,000 new Parlo Shares, representing 20% of the total number of issued shares of the Company, to independent third-party investor(s) to be identified later at an issue price to be determined later.

The listing application in relation thereto has been submitted to Bursa Securities on 3 November 2020 and approval had been obtained on 25 November 2020, subject to the following conditions:-

- (a) Parlo and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Private Placement;
- (b) Parlo and Mercury Securities to inform Bursa Securities upon the completion of the Private Placement; and
- (c) Parlo to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Private Placement is completed.
- (ii) On 11 November 2020, the Company announced the Share Sale Agreement Between Pioneer Steams Consolidated Sdn. Bhd. ("PSCB") and Adqrate International Sdn. Bhd. ("AISB") in respect of Proposed Disposal Of 70% Equity Interest in Travel Ideas Online Sdn. Bhd. By PSCB, a Wholly Owned Subsidiary of the Company.

B7 Group's borrowings and debt securities

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

As at 30 September 2020:

	Short term RM'000	Long term RM'000	Total RM'000
<u>Secured</u>			
Term loan	65	1,899	1,964
Overdraft	3,037	-	3,037
Revolving Credit	4,000	-	4,000
Total	7,102	1,899	9,001

The effective interest rates were as follows:

	%
Term loan	3.50
Overdraft	6.45
Revolving Credit	3.34-3.66
Finance lease	2.53-4.86

The proportion fixed interest rate debt and floating interest rate debt was 0.54% and 99.46%, 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 the current quarter.

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

	30 September	
	2020 RM'000	2019 RM'000
Neither past due nor impaired	296	6,457
Past due 1 - 30 days	9	595
Past due 31 - 120 days	392	964
Past due more than 120 days	1,138	421
	1,539	1,980
Individually impaired	-	(27)
	1,835	8,410

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 September 2020 RM'000	As at 30 September 2019 RM'000
Interest income	25	92
Interest expense	(253)	(73)
Amortisation of intangible asset	375	(259)
Depreciation of property, plant and equipment	323	(360)
Depreciation of right-of-use assets	88	-

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 3Q2020.

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:

	Individual quarter		Cumulative quarter	
	Current quarter	Preceding year quarter	Current year-to-date	Preceding year-to-date
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Loss attributable to owners of the Company (RM'000)	(2,264)	(806)	(6,305)	(1,152)
Weighted average number of shares in issue ('000)	364,033	364,033	364,033	364,033
Basic LPS (sen)	(0.62)	(0.22)	(1.73)	(0.32)

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 September 2020.

BY ORDER OF THE BOARD,

CHUA SIEW CHUAN
CHENG CHIA PING
COMPANY SECRETARIES

27 November 2020