

**Financial Results**

Reference No.

Submitting Merchant Bank  
(If applicable)

Company Name

**LAMBO GROUP BERHAD ("LAMBO")**  
(FORMERLY KNOWN AS ACCSOFT TECHNOLOGY BERHAD)

Stock Name

**LAMBO**

Contact Person

Designation

**DIRECTOR****Part A1: QUARTERLY REPORT**

Financial Year End

**31 DECEMBER 2018**

Quarter

**3**Quarterly report for the  
financial period ended**30 SEPTEMBER 2018**

The figures

**Have not been audited****Part A2: SUMMARY OF KEY FINANCIAL INFORMATION**

Summary of Key Financial Information for the financial period ended

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	
	2018	2017	2018	2017	
	30.9.2018 RM '000	30.9.2017 RM '000	30.9.2018 RM '000	30.9.2017 RM '000	
1	Revenue	24,730	22,011	67,868	60,001
2	Profit/(loss) before tax	6,135	6,711	17,723	18,879
3	Profit/(loss) for the period	4,479	5,015	12,982	14,119
4	Net profit/(loss) attributable to ordinary equity holders of the parent	4,497	5,015	13,017	14,119
5	Basic earnings/(loss) per share (sen)	0.25	0.60	0.73	1.70
6	Proposed/Declared Dividend per share (sen)	Nil	Nil	Nil	Nil
		<b>AS AT END OF CURRENT QUARTER*</b>		<b>AS AT PRECEDING FINANCIAL YEAR ENDED</b>	
7	Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0617		0.1213	

**PART A3: ADDITIONAL INFORMATION**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	
	2018	2017	2018	2017	
	30.9.2018 RM '000	30.9.2017 RM '000	30.9.2018 RM '000	30.9.2017 RM '000	
1	Gross interest income	475	159	1,356	480
2	Gross interest expense	0	0	0	0

**CONDENSED INTERIM FINANCIAL REPORT  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018  
 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

	Current Quarter 30-Sep	Comparative Quarter 30-Sep	Changes	Cumulative Quarter Ended 30 September		Changes
	2018 RM	2017 RM		2018 RM	2017 RM	
Revenue	24,730,088	22,010,666	12%	67,867,870	60,001,180	13%
Cost of sales	(18,491,069)	(15,230,660)	21%	(49,903,937)	(40,743,485)	22%
<b>GROSS PROFIT</b>	<b>6,239,019</b>	<b>6,780,006</b>	<b>-8%</b>	<b>17,963,933</b>	<b>19,257,695</b>	<b>-7%</b>
Other operating income	475,476	158,979	199%	1,356,244	543,963	149%
Share based payment to employees	-	-	-	0	-	-
Administrative expenses	(579,804)	(228,075)	154%	(1,597,588)	(922,911)	73%
<b>OPERATING PROFIT</b>	<b>6,134,691</b>	<b>6,710,910</b>	<b>-9%</b>	<b>17,722,589</b>	<b>18,878,747</b>	<b>-6%</b>
Finance costs	-	-	-	0	-	-
<b>PROFIT BEFORE TAXATION</b>	<b>6,134,691</b>	<b>6,710,910</b>	<b>-9%</b>	<b>17,722,589</b>	<b>18,878,747</b>	<b>-6%</b>
Taxation	(1,656,117)	(1,695,648)	-2%	(4,740,398)	(4,759,892)	0%
<b>PROFIT NET OF TAX</b>	<b>4,478,574</b>	<b>5,015,262</b>	<b>-11%</b>	<b>12,982,191</b>	<b>14,118,855</b>	<b>-8%</b>
<b>Other comprehensive income</b>						
Foreign currency translation	(1,403,047)	(220,591)	536%	(3,468,947)	(1,612,465)	115%
Other comprehensive income for the quarter, net of tax	(1,403,047)	(220,591)	536%	(3,468,947)	(1,612,465)	115%
<b>TOTAL COMPREHENSIVE INCOME FOR THE QUARTER</b>	<b>3,075,527</b>	<b>4,794,671</b>	<b>-36%</b>	<b>9,513,244</b>	<b>12,506,390</b>	<b>-24%</b>
<b>Profit attributable to:</b>						
Owners of the parent	4,496,930	5,015,262	-10%	13,017,019	14,118,855	-8%
Non-controlling interests	(18,356)	-	11%	(34,828)	-	-8%
	<b>4,478,574</b>	<b>4,029,474</b>	<b>11%</b>	<b>12,982,191</b>	<b>14,118,855</b>	<b>-8%</b>
<b>Total comprehensive income/(loss) attributable to:</b>						
Owners of the parent	3,093,883	4,794,671	-35%	9,548,072	12,506,390	-24%
Non-controlling interests	(18,356)	-	-8%	(34,828)	-	-24%
	<b>3,075,527</b>	<b>3,342,986</b>	<b>-8%</b>	<b>9,513,244</b>	<b>12,506,390</b>	<b>-24%</b>
<b>Earning per share attributable to equity holders of the Company:</b>						
Basic (sen)	0.25	0.60		0.73	1.70	
Diluted (sen)	0.17	0.44		0.50	1.22	

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)



**CONDENSED INTERIM FINANCIAL REPORT**  
**STATEMENT OF FINANCIAL POSITION**  
**As At 30 September 2018**

	<b>2018</b>	<b>AUDITED</b>
	<b>30 September</b>	<b>31 DECEMBER</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	127,545	57,985
Goodwill on consolidation	72,790	-
Software development expenditure	584,232	15,393
Other Investment	30,075,000	31,150,000
<b>Total Non-current assets</b>	<b>30,859,567</b>	<b>31,223,378</b>
<b>Current assets</b>		
Trade and other receivables	11,524,666	5,636,020
Tax recoverable	36,339	34,863
Fixed deposits placed with licensed banks	30,298	5,175
Cash and bank balances	76,732,382	66,690,777
<b>Total Current Assets</b>	<b>88,323,685</b>	<b>72,366,835</b>
<b>TOTAL ASSETS</b>	<b>119,183,252</b>	<b>103,590,213</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company:</b>		
Share capital	93,662,046	93,182,374
Warrant reserve	17,433,116	17,603,322
Retained earnings/(Accumulated losses)	4,866,804	(8,150,215)
Foreign exchange translation reserve	(5,122,956)	(1,654,009)
Reserves	17,176,964	7,799,098
Shareholders' funds	110,839,010	100,981,472
Non-controlling interests	28,336	-
<b>Total equity</b>	<b>110,867,346</b>	<b>100,981,472</b>
<b>Current liabilities</b>		
Trade and other payables	6,656,988	953,106
Provision for taxation	1,658,918	1,655,635
<b>Total Current Liabilities</b>	<b>8,315,906</b>	<b>2,608,741</b>
<b>TOTAL LIABILITIES</b>	<b>8,315,906</b>	<b>2,608,741</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>119,183,252</b>	<b>103,590,213</b>

Notes:

i. The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the period ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements

**CONDENSED INTERIM FINANCIAL REPORT  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018  
 STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

	←-----Attributable to equity holders of the parent----->								
	Issued Capital RM	Share Premium RM	Translation Reserve RM	Share Option Reserve RM	Warrant Reserve RM	Accumulated Losses RM	Equity attributable to owners of the parent RM	Non-controlling Interests RM	Total Equity RM
<b>1st Quarter ended 31 March 2018</b>									
As at 1 January 2018	93,182,374	-	(1,654,009)	-	17,603,322	(8,150,215)	100,981,472	-	100,981,472
<b>Adjustment for effects of Companies Act 2016*</b>	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	-	-	(3,468,947)	-	-	13,017,019	9,548,072	(34,828)	9,513,244
<b>Transaction with owners:</b>									
Exercise of warrants	479,672	-	-	-	(170,206)	-	309,466	-	309,466
Acquisition of subsidiary	-	-	-	-	-	-	-	63,164	63,164
As at 30 September 2018	<u>93,662,046</u>	<u>-</u>	<u>(5,122,956)</u>	<u>-</u>	<u>17,433,116</u>	<u>4,866,804</u>	<u>110,839,010</u>	<u>28,336</u>	<u>110,867,346</u>
									-
As at 1 January 2017	83,260,880	9,894,524	1,701,094	-	17,612,892	(27,326,380)	85,143,010	-	85,143,010
<b>Total comprehensive income/(loss)</b>	-	-	(1,612,465)	-	-	14,118,855	12,506,390	-	12,506,390
<b>Transaction with owners:</b>									
Exercise of warrants	17,400	-	-	-	(9,570)	9,570	17,400	-	17,400
As at 30 September 2017	<u>83,278,280</u>	<u>9,894,524</u>	<u>88,629</u>	<u>-</u>	<u>17,603,322</u>	<u>(13,197,955)</u>	<u>97,666,800</u>	<u>-</u>	<u>97,666,800</u>

\* With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit stating in the share premium accounts of RM9,894,524 has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017.

**CONDENSED INTERIM FINANCIAL REPORT  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018  
 STATEMENT OF CASH FLOW (UNAUDITED)**

	<b>9 months ended 30.9.2018 (RM)</b>	<b>12 months ended 31.12.2017 (RM)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	17,722,589	25,602,956
Adjustments for :		
Depreciation	28,673	26,390
Interest income	(1,356,244)	(680,677)
Waiver of debts	-	(56,000)
Operating profit before working capital changes	<u>16,395,018</u>	<u>24,892,669</u>
Changes in Working Capital:		
Receivables	(5,888,646)	27,395,876
Payables	5,703,882	103,660
Cash generated from operations	<u>16,210,254</u>	<u>52,392,205</u>
Tax paid	(4,687,338)	(5,823,265)
Net Operating Cash Flows	<u>11,522,917</u>	<u>46,568,940</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,356,244	680,677
Development expenditure incurred	(568,839)	(15,393)
Purchase of property, plant & equipment	(70,292)	(2,428)
Investment in other investment	-	(31,150,000)
Investment in new subsidiary	(399,764)	-
Net Investing Cash Flows	<u>244,559</u>	<u>(30,487,144)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of warrants	309,465	17,400
Net Financing Cash Flows	<u>309,465</u>	<u>17,400</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	12,076,941	16,099,196
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	(2,010,213)	(3,384,451)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>66,695,952</u>	<u>53,981,207</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>76,762,680</u>	<u>66,695,952</u>

<b>Note: Cash and cash equivalents</b>	<b>30.9.2018</b>	<b>31.12.2017</b>
Cash and bank balance	76,732,382	66,690,777
Fixed deposit placed with licensed banks	30,298	5,175
	<u>76,762,680</u>	<u>66,695,952</u>
Less: Bank overdraft	-	-
Cash and cash equivalents	<u>76,762,680</u>	<u>66,695,952</u>

(The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

**LAMBO GROUP BERHAD (517487-A)**  
*(Formerly known as Accsoft Technology Bhd)*  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

**A Explanatory Notes Pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting**

**A1. Basis of Preparation**

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting, and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (for the ACE Market), and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2017.

**A2. Audit Report of the Preceding Annual Financial Statements**

The auditors' report of the preceding annual financial statements was not subject to any qualification.

**A3. Seasonal or Cyclical Factors of Interim Operations**

There were no seasonal or cyclical factors affecting the results of the Group for the current interim period.

**A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income, or Cash**

There were no items affecting assets, liabilities, equity, net income, or cash that are unusual in nature, size or incidence for the current interim period.

**A5. Material Changes in Estimates**

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

**A6. Debt and equity securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares during the current quarter under review.

**A7. Dividend paid**

The Board does not recommend any dividend for the current interim period.

**A8. Segmental Information**

The Group is operated in wholesale of shoes, information technology and e-commerce business and the Group has started the logistic business during the year.

Business Segment	Wholesale of Shoes	IT and E-commerce	Logistic	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	21,809	2,902	19	-	-	24,730
Segment results	3,607	2,319	(149)	(118)	-	5,659
Interest income						475
Profit before taxation						6,134
Taxation						(1,656)
Net profit after taxation						4,478

Geographical segment

In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers.

The activities of the Group are conducted both in China and Malaysia.

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current 9-month ended	Comparative Quarter Ended
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
	RM	RM	RM	RM
Malaysia	20,246	-	24,915	-
China	24,709,842	22,010,666	67,842,955	60,001,180
	24,730,088	22,010,666	67,867,870	60,001,180

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018****A Explanatory Notes Pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting****A8. Segmental Information (Cont'd)**

Segmental information by geographical segments for the quarter ended 30 September 2018

	Malaysia	China	Singapore	Elimination	Total
	RM	RM	RM	RM	
Revenue	20,246	24,709,842	-		24,730,088
Segment results	(525,475)	6,188,676	(3,986)		5,659,215
Interest income	39,687	435,789	-		475,476
Profit/(loss) before taxation	(485,788)	6,624,465	(3,986)		6,134,691
Taxation	-	(1,656,117)	-		(1,656,117)
Net profit/(loss) after taxation	(485,788)	4,968,348	(3,986)		4,478,574

**A9. Valuations of Property, Plant and Equipment**

The property, plant and equipment were acquired at cost during the current interim period.

**A10. Material Events Subsequent to the End of the Interim Period**

There were no material events subsequent to the end of the current quarter under review up to the date of this quarterly report

**A11. Changes in the Composition of the Group**

There were no material changes to the composition of the Group for the current quarter under review.

**A12. Contingent Liabilities/Contingent Assets**

The Group does not have any contingent liabilities and contingent assets as at the date of this quarterly report.

**A13. Capital commitments**

The Group has no material capital commitments in respect of property, plant and equipment in the current quarter under review.

**A14. Significant related party transactions**

During the current quarter under review, the Directors are of the opinion that the Group has no related party transactions which would have a significant impact on the financial position and business of the Group.

**LAMBO GROUP BERHAD (517487-A)***(Formerly known as Accsoft Technology Bhd)*

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018****B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (for ACE Market)****B1. Review of Performance**

The Group recorded revenue of RM24.73 million for the current quarter ended 30 September 2018 compared to the revenue RM22.01 million recorded in the preceeding year of the corresponding quarter. The revenue has increased due to the higher revenue arising from wholesale of shoes recorded in China subsidiary.

The Group has recorded a net profit after taxation of RM4.48 million for the current quarter ended 30 September 2018 compared to the net profit after taxation of RM5.01 million in the preceeding year of the corresponding quarter. The operation cost has increased following by the commencement of business in Malaysia.

The main activities during the period are the provision of e-commerce business in developing, managing online trading platform and trading and wholesale of products. The Group has commenced the last mile delivery service during the year and the Group has launched the Lamboplace e-commerce platform in Malaysia during the quarter under review.

**B2. Material changes in profit before taxation for the current quarter as compared with the immediate preceding**

For the quarter ended 30 September 2018, the Group reported a slightly lower revenue of RM24.73 million as compared to RM21.13 million achieved in the previous quarter ended 30 June 2018. The profit before taxation recorded in this quarter is RM6.13 million as compared to last quarter net profit of RM5.83 million due to increase in revenue.

The comparison between the current quarter and the immediate preceding quarter are as follows:-

	Current Quarter 30.9.2018	Previous Quarter 30.6.2018
	RM	RM
Revenue	24,730,088	21,129,254
Profit before taxation	6,134,691	5,826,614

**B3. Current Year Prospects**

Following the launch of the logistic business and the recent launching of Lamboplace e-commerce platform on 18 August 2018, the Group expects to derive more revenue in line with booming e-commerce sector in Malaysia.

**B4. Forecasts of Profit After Tax**

Not applicable as no forecast was disclosed in any public document.

**B5. Tax Expenses**

	Group	
	2018 RM	2017 RM
Income tax		
- current year provision	4,740,398	6,426,791
- underprovision in previous year	-	-
	<u>4,740,398</u>	<u>6,426,791</u>

**B6. Unquoted Securities and/or Properties**

There were no purchases or disposal of unquoted securities and/or properties for the current quarter and financial year-to-date under review.

**B7. Quoted Securities**

There were no purchases or disposals of quoted securities for the current quarter and financial year-to-date under review. The Group does not have any material investment in quoted securities as at the reporting date.

**B8. Status of Corporate Proposals**

There were no corporate proposal announced but not completed for the quarter under review.



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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018****B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (for ACE Market)****B9. Group Borrowings and Debt Securities**

The Group has no bank borrowings as at 30 September 2018.

**B10. Profit Before Tax**

Profit for the period is arrived after crediting/(charging) the following:

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 9/30/2018 RM'000	Comparative Quarter Ended 9/30/2017 RM'000	Current 3-months 9/30/2018 RM'000	Comparative Quarter Ended 9/30/2017 RM'000
Interest income	475	159	1,356	480
Depreciation and amortisation	(12)	(7)	(29)	(20)

**B11. Realised and unrealised profit/ losses disclosure**

Breakdown of the accumulated losses of the Group as at 30 September 2018, into realised and unrealised profits or losses is as follows:

	9 months ended 30.9.2018 RM	12 months ended 31.12.2017 RM
Total accumulated losses of the Company and its subsidiaries:		
- Realised	3,688,967	(9,305,465)
Less: Consolidation adjustments	1,177,837	1,177,837
Total group accumulated losses	4,866,804	(8,127,628)

**B12. Changes In Material Litigation**

There was no material litigation pending as at the date of this report.

**B13. Dividend**

The Board does not recommend any dividend for the quarter under review.

**B14. Status of Utilisation of Proceeds****Rights Issue**

On 27 January 2016, the Rights Issue with Warrants has been completed with the listing of Rights Shares and Warrants on the Ace Market of Bursa Malaysia Securities Berhad. As at 30 September 2018, the status utilisation of the proceeds raised is as follow:

Description	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance to be Utilised RM'000	Intended Timeframe for Utilisation
Expansion of web-based business	22,350	(21,359)	991	Within 24 months
Marketing expenses, including digital / internet media services	11,900	(11,049)	851	Within 24 months
Working Capital	7,648	(7,648)	(0)	Within 24 months
Expenses in relation to the Proposal	800	(800)	-	Immediate
Total	42,698	(40,856)	1,842	

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018****B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (for ACE Market)****B15. Earnings Per Share**

Basic earnings/(loss) per share is calculated by dividing the net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	6 months ended		Cumulative	
	Current Year Quarter 30.9.2018	Preceding Year Corresponding Quarter 30.9.2017	Current Year To Date 30.9.2018	Preceding Year Corresponding period 30.9.2017
	RM	RM	RM	RM
Profit net of tax attributable to owners of the parent	4,496,930	5,015,262	13,017,019	14,118,855
Weighted average number of ordinary shares	1,795,167,920	832,649,116	1,795,167,920	832,649,116
EPS (sen) - Basic	0.25	0.60	0.73	1.70
- Diluted	0.17	0.44	0.50	1.22

Lambo Group Berhad (Formerly known as Accsoft Technology Berhad)