

**CONDENSED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2019
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

	Current Quarter	Comparative Quarter	<i>Changes</i>	Cumulative Quarter Ended		<i>Changes</i>
	31-Mar	31-Mar		31 March		
	2019	2018		2019	2018	
	RM	RM		RM	RM	
Revenue	25,638,565	22,008,528	16%	25,638,565	22,008,528	16%
Cost of sales	(19,649,754)	(16,075,921)	22%	(19,649,754)	(16,075,921)	22%
GROSS PROFIT	5,988,811	5,932,607	1%	5,988,811	5,932,607	1%
Other operating income	374,428	396,767	-6%	374,428	396,767	-6%
Administrative expenses	(943,277)	(568,090)	66%	(943,277)	(568,090)	66%
OPERATING PROFIT	5,419,962	5,761,284	-6%	5,419,962	5,761,284	-6%
Finance costs	-	-	-	0	-	-
PROFIT BEFORE TAXATION	5,419,962	5,761,284	-6%	5,419,962	5,761,284	-6%
Taxation	(1,607,184)	(1,544,579)	4%	(1,607,184)	(1,544,579)	4%
PROFIT NET OF TAX	3,812,778	4,216,705	-10%	3,812,778	4,216,705	-10%
Other comprehensive income						
Foreign currency translation	931,475	(1,065,617)	-187%	931,475	(1,065,617)	-187%
Other comprehensive income for the quarter, net of tax	931,475	(1,065,617)	-187%	931,475	(1,065,617)	-187%
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	4,744,253	3,151,088	51%	4,744,253	3,151,088	51%
Profit attributable to:						
Owners of the parent	3,815,761	4,216,705	-10%	3,815,761	4,216,705	-10%
Non-controlling interests	(2,983)	-	-	(2,983)	-	-
	3,812,778	4,216,705	-10%	3,812,778	4,216,705	-10%
Total comprehensive income/(loss) attributable to:						
Owners of the parent	4,747,236	3,151,088	51%	4,747,236	3,151,088	51%
Non-controlling interests	(2,983)	-	-	(2,983)	-	-
	4,744,253	3,151,088	51%	4,744,253	3,151,088	51%
Earning per share attributable to equity holders of the Company:						
Basic (sen)	0.18	0.35		0.18	0.35	
Diluted (sen)	N/A	0.28		N/A	0.28	

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED INTERIM FINANCIAL REPORT
STATEMENT OF FINANCIAL POSITION
As At 31 MARCH 2019

	2019	AUDITED
	31 March	2018
	RM	31 DECEMBER
		RM
ASSETS		
Non-current assets		
Property, plant and equipment	159,812	173,769
Goodwill on consolidation	72,790	72,790
Software development expenditure	860,694	883,281
Other investment	30,345,000	30,085,000
Total Non-current assets	31,438,296	31,214,840
Current assets		
Trade and other receivables	19,199,202	1,018,995
Tax recoverable	34,206	35,046
Fixed deposits placed with licensed banks	30,383	30,340
Cash and bank balances	81,885,228	85,148,579
Total Current Assets	101,149,019	86,232,960
TOTAL ASSETS	132,587,315	117,447,800
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
of the Company:		
Share capital	95,587,824	93,662,046
Warrant reserve	-	17,433,116
Retained earnings	29,236,214	8,663,791
Foreign exchange translation reserve	(4,156,505)	(5,087,980)
Reserves	25,079,709	21,008,927
Shareholders' funds	120,667,533	114,670,973
Non-controlling interests	1,832	11,702
Total equity	120,669,365	114,682,675
Current liabilities		
Trade and other payables	10,315,519	1,231,037
Provision for taxation	1,602,431	1,534,088
Total Current Liabilities	11,917,950	2,765,125
TOTAL LIABILITIES	11,917,950	2,765,125
TOTAL EQUITY AND LIABILITIES	132,587,315	117,447,800

Notes:

i. The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the period ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements

**CONDENSED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2019
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

	←-----Attributable to equity holders of the parent----->						Equity attributable to owners of the parent	Non-controlling Interests	Total Equity
	Issued Capital RM	Share Premium RM	Translation Reserve RM	Share Option Reserve RM	Warrant Reserve RM	Accumulated Losses RM	RM	RM	RM
1st Quarter ended 31 March 2019									
As at 1 January 2019	93,662,046	-	(5,087,980)	-	17,433,116	8,663,791	114,670,973	11,702	114,682,675
Total comprehensive income/(loss)	-	-	931,475	-	-	3,829,534	4,761,009	(2,983)	4,758,026
Transaction with owners:									
Exercise of warrants	1,925,778	-	-	-	(683,341)	-	1,242,437	-	1,242,437
Warrants expired	-	-	-	-	(16,749,775)	16,749,775	-	-	-
Acquisition of additional minority interest	-	-	-	-	-	(6,886)	(6,886)	(6,887)	(13,773)
As at 31 March 2019	<u>95,587,824</u>	<u>-</u>	<u>(4,156,505)</u>	<u>-</u>	<u>-</u>	<u>29,236,214</u>	<u>120,667,533</u>	<u>1,832</u>	<u>120,669,365</u>
As at 1 January 2018	93,182,374	-	(1,654,009)	-	17,603,322	(8,150,215)	100,981,472	-	100,981,472
Total comprehensive income/(loss)	-	-	(1,065,617)	-	-	4,216,705	3,151,088	-	3,151,088
Transaction with owners:									
Exercise of warrants	479,671	-	-	-	(170,206)	-	309,465	-	309,465
As at 31 March 2018	<u>93,662,045</u>	<u>-</u>	<u>(2,719,626)</u>	<u>-</u>	<u>17,433,116</u>	<u>(3,933,510)</u>	<u>104,442,025</u>	<u>-</u>	<u>104,442,025</u>

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 2018.

LAMBO GROUP BERHAD (517487-A)

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(Incorporated in Malaysia)


**CONDENSED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2019
STATEMENT OF CASH FLOW (UNAUDITED)**

	3 months ended 31.3.2019 (RM)	12 months ended 31.12.2018 (RM)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,419,962	23,038,818
Adjustments for :		
Depreciation and amortisation	39,852	63,444
Interest income	(374,428)	(1,867,266)
Operating profit before working capital changes	5,085,386	21,234,996
Changes in Working Capital:		
Receivables	(18,180,207)	4,617,025
Payables	9,084,482	239,487
Cash generated from operations	(4,010,339)	26,091,508
Tax paid	(1,553,323)	(6,398,004)
Net Operating Cash Flows	(5,563,662)	19,693,504
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	374,428	1,867,266
Development expenditure incurred	-	(888,054)
Purchase of property, plant & equipment	(3,059)	(131,969)
Investment in new subsidiary	-	198
Net Investing Cash Flows	371,369	847,441
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of warrants	1,242,438	309,466
Net Financing Cash Flows	1,242,438	309,466
NET INCREASE IN CASH AND CASH EQUIVALENTS	(3,949,855)	20,850,411
EFFECTS OF EXCHANGE RATE CHANGES	686,547	(2,367,444)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	85,178,919	66,695,952
CASH AND CASH EQUIVALENTS AT END OF YEAR	81,915,611	85,178,919
Note: Cash and cash equivalents		
Cash and bank balance	81,885,228	85,148,579
Fixed deposit placed with licensed banks	30,383	30,340
Cash and cash equivalents	81,915,611	85,178,919

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

LAMBO GROUP BERHAD (517487-A)

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019**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 2018.

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. The business segment results for the quarter ended 31 March 2019 is as below:

Business Segment	Distribution Platform (Business to Business Model)	IT and E-Commerce Platform (Business to Consumer Model)	Logistic	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	22,609	2,963	76	-	(10)	25,639
Segment results	3,423	2,129	(344)	(164)	-	5,046
Interest income						374
Profit before taxation						5,420
Taxation						(1,607)
Net profit after taxation						3,813

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019**A Explanatory Notes Pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting****A8. Segmental Information (Cont'd)**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	Preceding	Current 3-month	Comparative
	Ended	Year	ended	Quarter
	31/3/2019	Corresponding	31/3/2019	Ended
	RM	Quarter Ended	RM	RM
	31/3/2018		31/3/2018	
Malaysia	80,913	-	80,913	-
China	25,557,652	22,008,528	25,557,652	22,008,528
	<u>25,638,565</u>	<u>22,008,528</u>	<u>25,638,565</u>	<u>22,008,528</u>

Segmental information by geographical segments for the quarter ended 31 December 2018

	Malaysia	China	Singapore	Elimination	Total
	RM	RM	RM	RM	
Revenue	80,913	25,557,652	-		25,638,565
Segment results	(1,024,738)	6,079,500	(9,228)		5,045,534
Interest income	25,191	349,237	-		374,428
Profit/(loss) before taxation	(999,546)	6,428,736	(9,228)		5,419,962
Taxation	0	(1,607,184)	-		(1,607,184)
Net profit/(loss) after taxation	<u>(999,546)</u>	<u>4,821,552</u>	<u>(9,228)</u>		<u>3,812,778</u>

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)

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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 RM25.64 million for the current quarter ended 31 March 2019 compared to the revenue RM22.01 million recorded in the preceeding year of the corresponding quarter.

The Group has recorded a net profit after taxation of RM3.81 million for the current quarter ended 31 March 2019 compared to the net profit after taxation of RM4.22 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 distribution business via Business to Business model. The Group has commenced the last mile delivery service and launched the Lamboplace e-commerce platform in Malaysia.

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

For the quarter ended 31 March 2019, the Group reported a slightly higher revenue of RM25.64 million as compared to RM24.61 million achieved in the previous quarter ended 31 December 2018. The profit before taxation recorded in this quarter is RM5.42 million increased slightly as compared to last quarter net profit of RM5.32 million which is in line with the slight increase in revenue.

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

	Current Quarter 31.3.2019	Previous Quarter 31.12.2018
	RM	RM
Revenue	25,638,565	24,607,978
Profit before taxation	5,419,962	5,316,229

B3. Current Year Prospects

Following the launch of the logistic business and the soft launch 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	
	2019 RM	2018 RM
Income tax		
- current year provision	1,607,184	6,274,489
- underprovision in previous year	-	1,785
	1,607,184	6,276,274

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

On 13 March 2019, the Company had announced that the Company proposes to undertake the proposed bonus issue of up to 1,270,306,669 Lambo warrants ("Warrants B") on the basis of 1 Warrant B for every 2 existing ordinary shares in Lambo.

Bursa Securities had, vide its letter dated 20 March 2019, approved the proposed bonus issue of Warrant B. Circulars dated 25 March 2019 are delivered to shareholders. The proposed bonus issue of Warrant B was approved by the shareholders on 10 April 2019 in the Extraordinary General Meeting.

The exercise price of the Warrants B is fixed at RM0.16 per Warrant B and the entitlement date is 24 April 2019.

Bonus issue of Warrants B has been completed following the listing and quotation of 1,051,058,992 Warrants B on the ACE Market of Bursa Securities on 7 May 2019.

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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 31 March 2019.

B10. Profit Before Tax

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/3/2019 RM'000	Comparative Quarter Ended 31/3/2018 RM'000	Current 3-months 31/3/2019 RM'000	Comparative Quarter Ended 31/3/2018 RM'000
Interest income	374	397	374	397
Depreciation and amortisation	(40)	(7)	(40)	(7)

B11. Changes In Material Litigation

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

B12. Dividend

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

B13. 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 31 March 2019, 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	(22,234)	116	Within 24 months
Marketing expenses, including digital / internet media services	11,900	(11,066)	834	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	(41,748)	950	

B14. 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.

	3 months ended		Cumulative	
	Current Year Quarter 31.3.2019 RM	Preceding Year Corresponding Quarter 31.3.2018 RM	Current Year To Date 31.3.2019 RM	Preceding Year Corresponding period 31.3.2018 RM
Profit net of tax attributable to owners of the parent	3,815,761	4,216,705	3,815,761	4,216,705
Weighted average number of ordinary shares	2,099,039,587	1,196,298,991	2,099,039,587	1,196,298,991
EPS (sen) - Basic	0.18	0.35	0.18	0.35
- Diluted	N/A	0.44	N/A	0.28