

**CONDENSED INTERIM FINANCIAL REPORT
FOR THE FIFTH QUARTER ENDED 31 MARCH 2020
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

	Current Quarter	Comparative Quarter	Changes	Cumulative Quarter Ended	
	31-Mar	31-Mar		31 MARCH	
	2020	2019		2020	2019
	RM	RM		RM	RM
Revenue	813,166	25,638,565	-97%	64,073,639	N/A
Cost of sales	(321,707)	(19,649,754)	-98%	(46,123,373)	N/A
GROSS PROFIT	491,459	5,988,811	-92%	17,950,266	N/A
Other operating income	480,328	374,428	28%	2,209,915	N/A
Administrative expenses	(1,182,849)	(943,277)	25%	(5,549,435)	N/A
OPERATING PROFIT/(LOSS)	(211,062)	5,419,962	-104%	14,610,746	N/A
Finance costs	(1,062)	-	-	(7,849)	N/A
PROFIT/(LOSS) BEFORE TAXATION	(212,124)	5,419,962	-104%	14,602,897	N/A
Taxation	(257,262)	(1,607,184)	-84%	(5,001,532)	N/A
PROFIT/(LOSS) NET OF TAX	(469,386)	3,812,778	-112%	9,601,365	N/A
Other comprehensive income					
Foreign currency translation	4,186,461	931,475	349%	1,118,532	N/A
Other comprehensive income for the quarter, net of tax	4,186,461	931,475	349%	1,118,532	N/A
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	3,717,075	4,744,253	-22%	10,719,897	N/A
Profit/(loss) attributable to:					
Owners of the parent	(467,081)	3,815,761	-112%	9,626,137	N/A
Non-controlling interests	(2,305)	(2,983)		(24,772)	N/A
	(469,386)	3,812,778	-112%	9,601,365	N/A
Total comprehensive income/(loss) attributable to:					
Owners of the parent	3,719,380	4,747,236	-22%	10,744,669	N/A
Non-controlling interests	(2,305)	(2,983)		(24,772)	N/A
	3,717,075	4,744,253	-22%	10,719,897	N/A
Earning per share attributable to equity holders of the Company:					
Basic (sen)	(0.02)	0.18		0.46	N/A
Diluted (sen)	N/A	N/A		N/A	N/A

In view of the change in current financial year end from 31 December 2019 to 31 May 2020, there were no comparative financial information available for the 15-month financial period ended 31 March 2020.

(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 2020

	AS AT 31 March RM	AUDITED 2018 31 DECEMBER RM
ASSETS		
Non-current assets		
Property, plant and equipment	300,094	173,769
Goodwill on consolidation	72,790	72,790
Software development expenditure	770,349	883,281
Other investment	36,414,000	30,085,000
Total Non-current assets	37,557,233	31,214,840
Current assets		
Trade and other receivables	4,543,945	1,018,995
Tax recoverable	34,370	35,046
Fixed deposits placed with licensed banks	31,383	30,340
Cash and bank balances	87,755,819	85,148,579
Total Current Assets	92,365,517	86,232,960
TOTAL ASSETS	129,922,750	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	35,046,590	8,663,791
Foreign exchange translation reserve	(3,969,448)	(5,087,980)
Reserves	31,077,142	21,008,927
Shareholders' funds	126,664,966	114,670,973
Non-controlling interests	(19,957)	11,702
Total equity	126,645,009	114,682,675
Non-current liability		
Borrowings	89,663	-
Total Non-current liability	89,663	-
Current liabilities		
Trade and other payables	2,910,060	1,231,037
Borrowings	19,986	-
Provision for taxation	258,032	1,534,088
Total Current Liabilities	3,188,078	2,765,125
TOTAL LIABILITIES	3,277,741	2,765,125
TOTAL EQUITY AND LIABILITIES	129,922,750	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 FIFTH QUARTER ENDED 31 MARCH 2020
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
5th Quarter ended 31 March 2020									
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)	-	-	1,118,532	-	-	9,639,910	10,758,442	(24,772)	10,733,670
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 2020	<u>95,587,824</u>	<u>-</u>	<u>(3,969,448)</u>	<u>-</u>	<u>-</u>	<u>35,046,590</u>	<u>126,664,966</u>	<u>(19,957)</u>	<u>126,645,009</u>

In view of the change in current financial year end from 31 December 2019 to 31 May 2020, there were no comparative financial information available for the 15-month financial period ended 31 March 2020.

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.

**CONDENSED INTERIM FINANCIAL REPORT
FOR THE FIFTH QUARTER ENDED 31 MARCH 2020
STATEMENT OF CASH FLOW (UNAUDITED)**

	15 months ended 31.03.2020 (RM)	12 months ended 31.12.2018 (RM)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,602,897	23,038,818
Adjustments for :		
Depreciation and amortisation	232,514	63,444
Interest expenses	7,849	-
Interest income	(2,209,915)	(1,867,266)
Operating profit before working capital changes	12,633,345	21,234,996
Changes in Working Capital:		
Receivables	(3,524,950)	4,617,025
Payables	1,679,023	239,487
Cash generated from operations	10,787,418	26,091,508
Interest paid	(7,849)	-
Tax paid	(6,334,417)	(6,398,004)
Net Operating Cash Flows	4,445,152	19,693,504
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,209,915	1,867,266
Development expenditure incurred	-	(888,054)
Purchase of property, plant & equipment	(229,586)	(131,969)
Investment in other investment	(5,879,000)	-
Investment in new subsidiary	-	198
Sale of subsidiaries, net of cash disposed	-	-
Net Investing Cash Flows	(3,898,671)	847,441
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of warrants	1,242,438	309,466
Hire purchase repayments	(3,433)	-
Net Financing Cash Flows	1,239,005	309,466
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,785,486	20,850,411
EFFECTS OF EXCHANGE RATE CHANGES	822,797	(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	87,787,202	85,178,919
Note: Cash and cash equivalents	31.03.2020	31.12.2018
Cash and bank balance	87,755,819	85,148,579
Fixed deposit placed with licensed banks	31,383	30,340
Cash and cash equivalents	87,787,202	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)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2020**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 2020 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	-	713	100	-	-	813
Segment results	-	(8)	(355)	(322)	-	(685)
Interest expenses						(7)
Interest income						480
Profit before taxation						(212)
Taxation						(257)
Net profit after taxation						(469)

LAMBO GROUP BERHAD (517487-A)

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INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2020**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 Ended	Preceding Year Corresponding Quarter Ended	Current 15- month ended	Comparative Quarter Ended
	31/3/2020 RM	31/3/2019 RM	31/3/2020 RM	31/3/2019 RM
Malaysia	107,088	80,913	585,778	N/A
China	706,078	25,557,652	63,487,861	N/A
	<u>813,166</u>	<u>25,638,565</u>	<u>64,073,639</u>	<u>N/A</u>

Segmental information by geographical segments for the quarter ended 31 March 2020

	Malaysia RM	China RM	Singapore RM	Elimination RM	Total
Revenue	107,088	706,078	-		813,166
Segment results	(1,235,196)	553,218	(10,474)		(692,452)
Interest income	4,496	475,832	-		480,328
Profit/(loss) before taxation	(1,230,699)	1,029,050	(10,474)		(212,124)
Taxation	-	(257,262)	-		(257,262)
Net profit/(loss) after taxation	<u>(1,230,699)</u>	<u>771,788</u>	<u>(10,474)</u>		<u>(469,386)</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

The Board of Director of the Group has on 23 April 2020 announced that the Company has offered 438,000,000 share options to eligible employees under employee share option scheme ("ESOS"). The summary of the exercise of ESOS is as below:

Number of share exercised	Exercise Price	Listing Date
66,666,000	0.015	4 May 2020
66,666,000	0.015	14 May 2020
59,500,000	0.015	27 May 2020
59,500,000	0.015	28 May 2020
119,000,000	0.015	9 June 2020
66,668,000	0.015	10 June 2020

The Board of Director of the Group has on 17 June 2020 announced that the Company has offered 131,895,000 share options to eligible employees under employee share option scheme ("ESOS"). The summary of the exercise of ESOS is as below:

Number of share exercised	Exercise Price	Listing Date
131,895,000	0.02	26 June 2020

There were no other 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.

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2020**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 RM0.81 million for the current quarter ended 31 March 2020 compared to the revenue RM25.64 million recorded in the preceeding year of the corresponding quarter where the revenue has decreased due to the decrease wholesales B2B segment as a result of the outbreak of COVID-19 and the international trade war between US and China.

From the launching of Lamboplace e-commerce portal in Malaysia as well as the logistic division, both business divisions have recorded a healthy growth of approximately 32.35%.

In line with the decrease in turnover, the Group recorded loss after tax of RM0.47 million for the current quarter ended 31 March 2020 compared to the net profit after taxation of RM3.81 million in the preceeding year of the corresponding quarter.

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 during the year.

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

For the quarter ended 31 March 2020, the Group's reported revenue has reduced to RM0.81 million from RM2.24 million recorded in the previous quarter ended 31 December 2019. This is due to the non-renewal of IT services contracts in China during the quarter under review. In line with the decrease in turnover, the loss before taxation recorded in this quarter is RM0.47 million as compared to last quarter net profit of RM0.67 million.

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

	Current Quarter 31.3.2020	Previous Quarter 31.12.2019
	RM	RM
Revenue	813,166	2,239,957
Profit/(Loss) before taxation	(211,062)	1,241,158

B3. Current Year Prospects

Following the outbreak of the COVID-19 and the second wave in Beijing recently, the retail sentiments in particular the distribution business in China is severally affected and as such the Group might have to diversify its continue dependence on its distribution business in China to focus on its expansion of Malaysia e-commerce and logistic business to cushion any potential impact from the expected slow down. Moving forward, the Group would adopt a very cautious stance in its business operations in order to face some challenging times ahead.

B4. Forecasts of Profit After Tax

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

B5. Tax Expenses

	Group	
	2020 RM	2018 RM
Income tax		
- current year provision	5,001,532	6,274,489
- underprovision in previous year	-	1,785
	<u>5,001,532</u>	<u>6,276,274</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.

B9. Group Borrowings and Debt Securities

The Group's borrowing as at 31 March 2020 is as below:

	Short-term RM	Long-term RM	Total RM
Hire Purchase	19,986	89,663	109,649

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2020**B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (for ACE Market)****B10. Profit/(Loss) Before Tax**

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/3/2020 RM'000	Comparative Quarter Ended 31/3/2019 RM'000	Current 12-months 31/3/2020 RM'000	Comparative Quarter Ended 31/3/2019 RM'000
Interest income	480	374	2,210	N/A
Interest expense	(1)	-	(7)	N/A
Depreciation and amortisation	(53)	(40)	(233)	N/A

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 2020, 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	(22,350)	0	Within 24 months
Marketing expenses, including digital / internet media services	11,900	(11,298)	602	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	(42,096)	602	

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.

	15 months ended		Cumulative	
	Current Year Quarter 31.3.2020 RM	Preceding Year Corresponding Quarter 31.3.2019 RM	Current Year To Date 31.3.2020 RM	Preceding Year Corresponding period 31.3.2019 RM
Profit net of tax attributable to owners of the parent	(467,081)	3,815,761	9,626,137	N/A
Weighted average number of ordinary shares	2,101,510,418	2,099,039,587	2,101,510,418	N/A
EPS (sen) - Basic	(0.02)	0.18	0.46	N/A
- Diluted	N/A	N/A	N/A	N/A

Diluted

The fully diluted loss per ordinary share for the Group for the current financial period is not presented as the warrants would be anti-dilutive as the exercise price is higher than the fair value of the Company's shares.