

**CONDENSED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2020
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

	Current Quarter	Comparative Quarter	<i>Changes</i>	Cumulative Quarter Ended	
	30-Nov	30-Nov		30 NOVEMBER	
	2020	2019		2020	2019
	RM	RM		RM	RM
Revenue	22,986,148	N/A	N/A	23,872,661	N/A
Cost of sales	(74,068,972)	N/A	N/A	(74,479,768)	N/A
GROSS PROFIT	(51,082,824)	N/A	N/A	(50,607,107)	N/A
Other operating income	189,654	N/A	N/A	438,670	N/A
Fair value gain on other investment	10,781,412	N/A	N/A	38,278,635	N/A
Administrative expenses	(5,128,647)	N/A	N/A	(8,151,934)	N/A
OPERATING LOSS	(45,240,405)	N/A	N/A	(20,041,736)	N/A
Finance costs	(2,926)	N/A	N/A	(6,099)	N/A
LOSS BEFORE TAXATION	(45,243,331)	N/A	N/A	(20,047,835)	N/A
Taxation	(1,436)	N/A	N/A	(165,727)	N/A
LOSS NET OF TAX	(45,244,767)	N/A	N/A	(20,213,562)	N/A
Other comprehensive income					
Foreign currency translation	2,283,106	N/A	N/A	2,070,449	N/A
Other comprehensive income for the quarter, net of tax	2,283,106	N/A	N/A	2,070,449	N/A
TOTAL COMPREHENSIVE LOSS FOR THE QUARTER/PERIOD	(42,961,661)	N/A	N/A	(18,143,113)	N/A
Loss attributable to:					
Owners of the parent	(45,239,268)	N/A	N/A	(20,203,747)	N/A
Non-controlling interests	(5,499)	N/A	N/A	(9,815)	N/A
	(45,244,767)	N/A	N/A	(20,213,562)	N/A
Total comprehensive loss attributable to:					
Owners of the parent	(42,956,162)	N/A	N/A	(18,133,298)	N/A
Non-controlling interests	(5,499)	N/A	N/A	(9,815)	N/A
	(42,961,661)	N/A	N/A	(18,143,113)	N/A
Earning per share attributable to equity holders of the Company:					
Basic (sen)	(1.47)	N/A		(0.66)	N/A
Diluted (sen)	N/A	N/A		N/A	N/A

In view of the change in previous financial year end from 31 December 2019 to 31 May 2020, there were no comparative financial information available presented due to the change of financial year end.

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 May 2020 and the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED INTERIM FINANCIAL REPORT
STATEMENT OF FINANCIAL POSITION
As At 30 NOVEMBER 2020**

	AS AT 30 NOVEMBER RM	AUDITED 2020 31 MAY RM
ASSETS		
Non-current assets		
Property, plant and equipment	131,276	143,157
Right-of-use asset	117,542	144,797
Software development expenditure	529,501	619,847
Other investment	104,371,501	-
Total Non-current assets	105,149,820	907,801
Current assets		
Trade and other receivables	8,661,557	66,436,158
Tax recoverable	29,633	218,904
Fixed deposits placed with licensed banks	32,323	32,273
Cash and bank balances	53,587,690	63,821,186
Total Current Assets	62,311,203	130,508,521
TOTAL ASSETS	167,461,023	131,416,322
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company:		
Share capital	157,019,510	100,457,832
Share option reserve	-	798,372
Retained earnings	11,388,150	31,591,897
Foreign exchange translation reserve	(1,672,121)	(3,742,570)
Reserves	9,716,029	28,647,699
Shareholders' funds	166,735,539	129,105,531
Non-controlling interests	(33,846)	(24,031)
Total equity	166,701,693	129,081,500
Non-current liability		
Borrowings	74,230	86,515
Total Non-current liability	74,230	86,515
Current liabilities		
Trade and other payables	648,524	2,200,511
Borrowings	36,576	47,592
Provision for taxation	-	204
Total Current Liabilities	685,100	2,248,307
TOTAL LIABILITIES	759,330	2,334,822
TOTAL EQUITY AND LIABILITIES	167,461,023	131,416,322

Notes:

- i. The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the period ended 31 May 2020 and the accompanying explanatory notes attached to the interim financial statements

**CONDENSED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2020
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

	-----Attributable to equity holders of the parent-----						
	Issued Capital RM	Translation Reserve RM	Share Option Reserve RM	Retained Earnings RM	Equity attributable to owners of the parent RM	Non-controlling Interests RM	Total Equity RM
2nd Quarter ended 30 November 2020							
As at 1 June 2020	100,457,832	(3,742,570)	798,372	31,591,897	129,105,531	(24,031)	129,081,500
Total comprehensive income/(loss)	-	2,070,449	-	(20,203,747)	(18,133,298)	(9,815)	(18,143,113)
Disposal of subsidiary						-	
Transaction with owners:							
Issue of Ordinary Shares - Right issues	-	-	-	-	-	-	-
Exercise of warrants	-	-	-	-	-	-	-
Private Placement	34,032,152	-	-	-	34,032,152	-	34,032,152
Acquisition of additional minority interest	-	-	-	-	-	-	-
Grant of employee share option	-	-	5,298,233	-	5,298,233	-	5,298,233
Employee share option exercised	22,529,526	-	(6,096,605)	-	16,432,921	-	16,432,921
Warrant reserve arising from Right Issues	-	-	-	-	-	-	-
As at 30 November 2020	157,019,510	(1,672,121)	-	11,388,150	166,735,539	(33,846)	166,701,693

In view of the change in previous financial year end from 31 December 2019 to 31 May 2020, there were no comparative financial information available presented due to the change of financial year end.

LAMBO GROUP BERHAD (517487-A)

(Incorporated in Malaysia)


**CONDENSED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2020
STATEMENT OF CASH FLOW (UNAUDITED)**

	6 months ended 30.11.2020 (RM)	17 months ended 31.5.2020 (RM)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(20,047,835)	10,975,811
Adjustments for :		
Depreciation and amortisation	144,632	403,409
Impairment loss on receivables	-	86,098
Impairment loss on goodwill	-	72,790
Interest expenses	6,099	12,551
Interest income	(408,070)	(1,061,312)
Fair value gain on other investment	(38,278,635)	-
Share option expenses	5,298,234	1,883,400
Unrealised loss on foreign exchanges	-	4,535
Operating (loss)/profit before working capital changes	(53,285,575)	12,377,282
Changes in Working Capital:		
Receivables	57,774,601	(65,503,261)
Payables	(1,551,987)	964,939
Cash used in operations	2,937,039	(52,161,040)
Interest paid	(6,099)	(12,551)
Tax paid	(266)	(6,550,955)
Net Operating Cash Flows	2,930,674	(58,724,546)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	408,070	1,061,312
Additions in other investment	(57,989,147)	-
Purchase of property, plant & equipment	(12,077)	(82,745)
(Addition in)/Proceeds from withdrawal of investment fund	(7,000,000)	30,085,000
Change in fixed deposits with maturity more than 3 months	-	(1,705)
Net Investing Cash Flows	(64,593,154)	31,061,862
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	34,032,152	-
Proceeds from ESOS	16,432,920	3,784,980
Proceeds from exercise of warrants	-	1,242,437
Hire purchase repayments	(23,301)	(50,300)
Net Financing Cash Flows	50,441,771	4,977,117
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,220,709)	(22,685,567)
EFFECTS OF EXCHANGE RATE CHANGES	987,263	1,360,107
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	63,853,459	85,178,919
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	53,620,013	63,853,459
Note: Cash and cash equivalents	30.11.2020	31.5.2020
Cash and bank balance	53,587,690	63,821,186
Fixed deposit placed with licensed banks	32,323	32,273
Cash and cash equivalents	53,620,013	63,853,459

(The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial period ended 31 May 2020 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 SECOND QUARTER ENDED 30 NOVEMBER 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 period ended 31 May 2020.

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

As at the quarter ended 30 November 2020, the share capital was increased arising from the following:-

- (a) issuance of 513,303,800 new ordinary shares pursuant to the Private Placement at the exercise price of RM0.04 per share;
- (b) issuance of 203,775,000 new ordinary shares pursuant to the exercise of Employee Share Option Scheme ("ESOS") at the exercise price of RM0.03 per option;
- (c) issuance of 43,225,000 new ordinary shares pursuant to the exercise of ESOS at the exercise price of RM0.03 per option; and
- (c) issuance of 60,000,000 new ordinary shares pursuant to the Private Placement at the exercise price of RM0.038 per share.

There were no other 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 30 November 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	22,302	456	229	-	-	22,986
Segment results	(51,363)	(430)	(146)	6,506	-	(45,432)
Interest expenses						(2)
Interest income						190
Loss before taxation						(45,244)
Taxation						(1)
Net loss after taxation						(45,245)

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 NOVEMBER 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	Preceding	Current 6-month	Comparative
	Ended	Year	ended	Quarter
	30/11/2020	Corresponding	30/11/2020	Ended
	RM	Quarter Ended	RM	RM
		30/11/2019		30/11/2019
		RM		RM
Malaysia	263,199	N/A	429,015	N/A
China	22,722,949	N/A	23,443,646	N/A
	22,986,148	N/A	23,872,661	N/A

Segmental information by geographical segments for the quarter ended 30 November 2020

	Malaysia	China	Singapore	Elimination	Total
	RM	RM	RM	RM	RM
Revenue	263,199	22,722,949	-	-	22,986,148
Segment results	(5,037,561)	(40,390,981)	(4,443)	-	(45,432,985)
Interest income	97,898	91,756	-	-	189,654
Loss before taxation	(4,939,663)	(40,299,225)	(4,443)	-	(45,243,331)
Taxation	0	(1,436)	-	-	(1,436)
Net loss after taxation	(4,939,663)	(40,300,661)	(4,443)	-	(45,244,767)

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 9 December 2020 announced that the Company has offered 32,000,000 share options to eligible employees under employee share option scheme ("ESOS"). The summary of the exercise of ESOS is as below:

Number of shares exercised	Exercise Price	Listing Date
32,000,000	0.04	15-Dec-20

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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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 NOVEMBER 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 RM22.99 million for the current quarter ended 30 November 2020. The result is not comparable to the preceding year of the corresponding quarter due to change of financial year end in the previous year.

The Group recorded loss after tax of RM45.24 million for the current quarter ended 30 November 2020. This is due to the loss arising from the China subsidiary. The global pandemic has not recovered during the last quarter, and based on the forecast of the China operation, the prospect may be worse due to weaker export numbers. Coupled with the increase local consumption, the Group has decided to downsize the B2B wholesale business and consider to revamp into B2C platform. As a result, the China subsidiary has sold the shoes on B2B platform at discounted price for clearance to conserve cash for future deployment in the B2C platform. The Group also incurred share option expenses of approximately RM3.89 million contributing to the loss after tax during the current quarter under review.

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. For Malaysia, the business activities are mainly focused on the last mile delivery service and lathe Lamboplace e-commerce platform.

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

For the quarter ended 30 November 2020, the Group's reported revenue of RM22.99 million as compared to the previous quarter ended 31 August 2020 of RM 0.89 million. Though the revenue has increased substantially, the Group has recorded loss before taxation of RM45.24 million as compared to last quarter profit before taxation of RM25.20 million. This is due to shoes clearance sales by the China subsidiary as mentioned above.

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

	Current Quarter 30.11.2020	Previous Quarter 31.8.2020
	RM	RM
Revenue	22,986,148	886,513
(Loss)/Profit before taxation	(45,240,405)	25,195,496

B3. Current Year Prospects

Following the outbreak of the COVID-19, the retail sentiments in particular the distribution business in China is severally affected as such the Group might have to diversify its continue dependence on its distribution business in China to focus on its expansion of Malaysia B2C e-commerce and logistic business to cushion any potential impact from the expected slow down. The Group intends to launch a specialised e-commerce platform to market liquor products, particularly wins as per the Group's latest proposed private placement. 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	
	2021 RM	2020 RM
Income tax		
- current year provision	165,727	4,833,213
- underprovision in previous year	-	-
	165,727	4,833,213

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

The details of the investment in quoted shares as at 30 November 2020 are as below:

	As at 30 November 2020
	RM'000
At cost	37,803
At book value	77,339
At market value	77,339

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2020**B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (for ACE Market)****B8. Status of Corporate Proposals**

On 24 December 2020, the Company had announced that the Company proposes to undertake the private placement of up to 775,063,300 new ordinary shares in Lambo, representing up to approximately 20% of the total number of issued shares of Lambo, to independent third party investor(s) to be identified later at an issue price to be determined later ("Proposed Private Placement").

Bursa Securities had, vide its letter dated 13 January 2021, approved the Proposed Private Placement.

On 18 January 2021, 200,000,000 placement shares were listed and quoted on the ACE Market of Bursa.

On 20 January 2021, 200,000,000 placement shares were listed and quoted on the ACE Market of Bursa.

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

B9. Group Borrowings and Debt Securities

The Group's borrowing as at 30 November 2020 is as below:

	Short-term RM	Long-term RM	Total RM
Hire Purchase	20,695	74,230	94,925
Lease liability	15,881	-	15,881
	36,576	74,230	110,806

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

	Short-term RM	Long-term RM	Total RM
Hire Purchase	20,695	84,223	104,918
Lease liability	26,897	2,292	29,189
	47,592	86,515	134,107

B10. Loss Before Tax

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30/11/2020 RM'000	Comparative Quarter Ended 30/11/2019 RM'000	Current 3-months 30/11/2020 RM'000	Comparative Quarter Ended 30/11/2019 RM'000
Fair value gain on other investment	10,781	N/A	38,279	N/A
Interest income	181	N/A	408	N/A
Interest expense	(2)	N/A	(6)	N/A
Depreciation and amortisation	(73)	N/A	(145)	N/A
Share option expenses	(3,890)	N/A	(5,298)	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.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2020**B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (for ACE Market)****B13. Status of Utilisation of Proceeds**Private Placement

On 26 August 2020 and 18 September 2020, the Private Placement is completed following the listing and quotation of total 813,303,800 placement shares on the Ace Market of Bursa Malaysia Securities Berhad. As at 30 November 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
<i>E-Commerce Business Expansion</i>				
Marketing campaigns	18,232	(240)	17,992	Within 24 months
System enhancement	5,000	(42)	4,958	Within 12 months
Expansion of warehousing and delivery capability and capacity	4,500		4,500	Within 6 months
Hiring of personnel	4,500	(13)	4,487	Within 36 months
Office expansion	1,000		1,000	Within 12 months
Estimated expenses for the Proposed Private Placement	800	(800)	-	Immediate
Total	34,032	(1,095)	32,937	

B14. Earnings Per Share

Basic earnings 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.

	Current Quarter		Cumulative	
	Current Year Quarter 30.11.2020	Preceding Year Corresponding Quarter 30.11.2019	Current Year To Date 30.11.2020	Preceding Year Corresponding period 30.11.2019
	RM	RM	RM	RM
Loss net of tax attributable to owners of the parent	(45,239,268)	N/A	(20,203,747)	N/A
Weighted average number of ordinary shares	3,069,230,180	N/A	3,069,230,180	N/A
EPS (sen) - Basic	(1.47)	N/A	(0.66)	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.