

**CONDENSED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 28 FEBRUARY 2021
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

	Current Quarter	Comparative Quarter	<i>Changes</i>	Cumulative Quarter Ended	
	28-Feb	28-Feb		2021	2020
	2021	2020		2021	2020
	RM	RM		RM	RM
Revenue	479,488	N/A	N/A	24,352,149	N/A
Cost of sales	(939,299)	N/A	N/A	(75,419,067)	N/A
GROSS PROFIT	(459,811)	N/A	N/A	(51,066,918)	N/A
Other operating income	170,580	N/A	N/A	609,250	N/A
Fair value (loss)/gain on other investment	(8,135,463)	N/A	N/A	30,143,172	N/A
Administrative expenses	(5,001,108)	N/A	N/A	(13,153,042)	N/A
OPERATING LOSS	(13,425,802)	N/A	N/A	(33,467,538)	N/A
Finance costs	(2,045)	N/A	N/A	-8,144	N/A
LOSS BEFORE TAXATION	(13,427,847)	N/A	N/A	(33,475,682)	N/A
Taxation	(1,003)	N/A	N/A	(166,730)	N/A
LOSS NET OF TAX	(13,428,850)	N/A	N/A	(33,642,412)	N/A
Other comprehensive income					
Foreign currency translation	2,978,785	N/A	N/A	5,049,234	N/A
Other comprehensive income for the quarter, net of tax	2,978,785	N/A	N/A	5,049,234	N/A
TOTAL COMPREHENSIVE LOSS FOR THE QUARTER/PERIOD	(10,450,065)	N/A	N/A	(28,593,178)	N/A
Loss attributable to:					
Owners of the parent	(13,423,602)	N/A	N/A	(33,627,349)	N/A
Non-controlling interests	(5,248)	N/A	N/A	(15,063)	N/A
	(13,428,850)	N/A	N/A	(33,642,412)	N/A
Total comprehensive loss attributable to:					
Owners of the parent	(10,444,817)	N/A	N/A	(28,578,115)	N/A
Non-controlling interests	(5,248)	N/A	N/A	(15,063)	N/A
	(10,450,065)	N/A	N/A	(28,593,178)	N/A
Earning per share attributable to equity holders of the Company:					
Basic (sen)	-0.39	N/A		-0.98	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 28 FEBRUARY 2021

	AS AT 28 FEBRUARY RM	AUDITED 2020 31 MAY RM
ASSETS		
Non-current assets		
Property, plant and equipment	133,066	143,157
Right-of-use asset	103,915	144,797
Software development expenditure	484,329	619,847
Other investment	98,270,484	-
Total Non-current assets	98,991,794	907,801
Current assets		
Trade and other receivables	15,078,904	66,436,158
Tax recoverable	30,340	218,904
Fixed deposits placed with licensed banks	32,347	32,273
Cash and bank balances	74,019,613	63,821,186
Total Current Assets	89,161,204	130,508,521
TOTAL ASSETS	188,152,998	131,416,322
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company:		
Share capital	188,236,219	100,457,832
Share option reserve	-	798,372
Retained earnings	(2,035,452)	31,591,897
Foreign exchange translation reserve	1,306,664	(3,742,570)
Reserves	(728,788)	28,647,699
Shareholders' funds	187,507,431	129,105,531
Non-controlling interests	(39,094)	(24,031)
Total equity	187,468,337	129,081,500
Non-current liability		
Borrowings	66,606	86,515
Total Non-current liability	66,606	86,515
Current liabilities		
Trade and other payables	585,877	2,200,511
Borrowings	32,178	47,592
Provision for taxation	-	204
Total Current Liabilities	618,055	2,248,307
TOTAL LIABILITIES	684,661	2,334,822
TOTAL EQUITY AND LIABILITIES	188,152,998	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

LAMBO GROUP BERHAD (517487-A)

(Incorporated in Malaysia)


**CONDENSED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 28 FEBRUARY 2021
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)	-	5,049,234	-	(33,627,349)	(28,578,115)	(15,063)	(28,593,178)
Disposal of subsidiary						-	
Transaction with owners:							
Issue of Ordinary Shares - Right issues	-	-	-	-	-	-	-
Exercise of warrants	-	-	-	-	-	-	-
Private Placement	55,118,861	-	-	-	55,118,861	-	55,118,861
Acquisition of additional minority interest	-	-	-	-	-	-	-
Grant of employee share option	-	-	8,073,233	-	8,073,233	-	8,073,233
Employee share option exercised	32,659,526	-	(8,871,605)	-	23,787,921	-	23,787,921
Warrant reserve arising from Right Issues	-	-	-	-	-	-	-
As at 28 February 2021	<u>188,236,219</u>	<u>1,306,664</u>	<u>-</u>	<u>(2,035,452)</u>	<u>187,507,431</u>	<u>(39,094)</u>	<u>187,468,337</u>

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 THIRD QUARTER ENDED 28 FEBRUARY 2021
STATEMENT OF CASH FLOW (UNAUDITED)**

	9 months ended 28.02.2021 (RM)	17 months ended 31.5.2020 (RM)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(33,475,682)	10,975,811
Adjustments for :		
Depreciation and amortisation	218,589	403,409
Impairment loss on receivables	-	86,098
Impairment loss on goodwill	-	72,790
Interest expenses	8,144	12,551
Interest income	(578,650)	(1,061,312)
Fair value gain on other investment	(30,143,172)	-
Share option expenses	8,073,234	1,883,400
Unrealised loss on foreign exchanges		4,535
Operating (loss)/profit before working capital changes	<u>(55,897,537)</u>	<u>12,377,282</u>
Changes in Working Capital:		
Receivables	51,357,254	(65,503,261)
Payables	<u>(1,614,634)</u>	<u>964,939</u>
Cash used in operations	<u>(6,154,917)</u>	<u>(52,161,040)</u>
Interest paid	(8,144)	(12,551)
Tax paid	(399)	(6,550,955)
Net Operating Cash Flows	<u>(6,163,460)</u>	<u>(58,724,546)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	578,650	1,061,312
Additions in other investment	(57,989,147)	-
Purchase of property, plant & equipment	(28,434)	(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	<u>(64,438,931)</u>	<u>31,061,862</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	55,118,861	-
Proceeds from ESOS	23,787,920	3,784,980
Proceeds from exercise of warrants	-	1,242,437
Hire purchase repayments	<u>(15,256)</u>	<u>(50,300)</u>
Net Financing Cash Flows	<u>78,891,525</u>	<u>4,977,117</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8,289,134	(22,685,567)
EFFECTS OF EXCHANGE RATE CHANGES	1,909,367	1,360,107
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>63,853,459</u>	<u>85,178,919</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	<u><u>74,051,960</u></u>	<u><u>63,853,459</u></u>
Note: Cash and cash equivalents	28.02.2021	31.5.2020
Cash and bank balance	74,019,613	63,821,186
Fixed deposit placed with licensed banks	32,347	32,273
Cash and cash equivalents	<u><u>74,051,960</u></u>	<u><u>63,853,459</u></u>

(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)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 28 FEBRUARY 2021**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 28 February 2021, the share capital was increased arising from the following:-

- (a) issuance of 32,000,000 new ordinary shares pursuant to the exercise of Employee Share Option Scheme ("ESOS") at the exercise price of RM0.04 per option;
- (b) issuance of the first tranche of 200,000,000 new ordinary shares pursuant to the Private Placement at the exercise price of RM0.0273 per placement share;
- (c) issuance of the second tranche of 200,000,000 new ordinary shares pursuant to the Private Placement at the exercise price of RM0.0275 per placement share;
- (d) issuance of the final tranche of 375,063,300 new ordinary shares pursuant to the Private Placement at the exercise price of RM0.027 per placement share; and
- (e) issuance of 243,000,000 new ordinary shares pursuant to the exercise of ESOS at the exercise price of RM0.025 per option.

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 28 February 2021 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	-	300	179	-	-	479
Segment results	-	(1,707)	(213)	(11,677)	-	(13,597)
Interest expenses						(2)
Interest income						171
Loss before taxation						(13,428)
Taxation						(1)
Net loss after taxation						(13,429)

LAMBO GROUP BERHAD (517487-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 28 FEBRUARY 2021**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 Year	Current 9-month	Comparative Quarter
	Ended	Corresponding Quarter Ended	ended	Ended
	28/2/2021	28/2/2020	28/2/2021	28/2/2020
	RM	RM	RM	RM
Malaysia	250,757	N/A	679,772	N/A
China	228,731	N/A	23,672,377	N/A
	479,488	N/A	24,352,149	N/A

Segmental information by geographical segments for the quarter ended 28 February 2021

	Malaysia	China	Singapore	Elimination	Total
	RM	RM	RM	RM	RM
Revenue	250,757	228,731	-	-	479,488
Segment results	(4,287,737)	(9,306,236)	(4,454)	-	(13,598,427)
Interest income	71,524	99,056	-	-	170,580
Loss before taxation	(4,216,213)	(9,207,180)	(4,454)	-	(13,427,847)
Taxation	(0)	(1,003)	-	-	(1,003)
Net loss after taxation	(4,216,213)	(9,208,183)	(4,454)	-	(13,428,850)

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 15 March 2021 announced that the Company has offered 72,000,000 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
72,000,000	0.025	18-Mar-21

The Board of Director of the Group has on 18 March 2021 announced that the Company has offered 22,500,000 share options to eligible employees under ESOS. The summary of the exercise of ESOS is as below:

Number of shares exercised	Exercise Price	Listing Date
22,500,000	0.025	23-Mar-21

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.

LAMBO GROUP BERHAD (517487-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 28 FEBRUARY 2021**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 RM0.48 million for the current quarter ended 28 February 2021. 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 RM13.43 million for the current quarter ended 28 February 2021. This is due to the fair value loss on the investment in quoted shares amounting to RM8.14 million. The Group also incurred share option expenses of approximately RM2.78 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 the 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 28 February 2021, the Group's reported revenue of RM0.48 million as compared to the previous quarter ended 30 November 2020 of RM 22.99 million. The Group has recorded loss before taxation of RM13.43 million as compared to last quarter loss before taxation of RM45.24 million. This is due to loss arising from the shoes clearance sales by the China subsidiary in the previous quarter. The Group recorded fair value gain on other investment amounting to RM10.78 million in the immediate preceding quarter as compared to fair value loss of RM8.14 million during the current quarter under review.

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

	Current Quarter 28.02.2021	Previous Quarter 30.11.2020
	RM	RM
Revenue	479,488	22,986,148
Loss before taxation	(13,425,802)	(45,243,331)

B3. Current Year Prospects

Following the outbreak of the COVID-19, the retail sentiments in particular the distribution business in China is severely 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 wine 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	166,730	4,833,213
- underprovision in previous year	-	-
	<u>166,730</u>	<u>4,833,213</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

The details of the investment in quoted shares as at 28 February 2021 are as below:

	RM'000
Book value as at 28.2.2021	71,206
At market value	71,206

LAMBO GROUP BERHAD (517487-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 28 FEBRUARY 2021**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.

On 2 February 2021, the Private Placement has been completed following the listing and quotation of 375,063,300 placement shares on the ACE Market of Bursa, being the final tranche of the placement shares for the Private Placement.

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 28 February 2021 is as below:

	Short-term RM	Long-term RM	Total RM
Hire Purchase	23,056	66,606	89,662
Lease liability	9,122	-	9,122
	32,178	66,606	98,784

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 28/2/2021 RM'000	Comparative Quarter Ended 28/2/2020 RM'000	Current 9-months 28/2/2021 RM'000	Comparative Quarter Ended 28/2/2020 RM'000
Fair value (loss)/gain on other investment	(8,135)	N/A	30,143	N/A
Interest income	171	N/A	579	N/A
Interest expense	(2)	N/A	(8)	N/A
Depreciation and amortisation	(74)	N/A	(219)	N/A
Share option expenses	(2,775)	N/A	(8,073)	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.

LAMBO GROUP BERHAD (517487-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 28 FEBRUARY 2021**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**30% Private Placement

On 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 28 February 2021, 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	(385)	17,847	Within 24 months
System enhancement	5,000	(62)	4,938	Within 12 months
Expansion of warehousing and delivery capability and capacity	4,500		4,500	Within 6 months
Hiring of personnel	4,500	(76)	4,424	Within 36 months
Office expansion	1,000		1,000	Within 12 months
Estimated expenses for the Proposed Private Placement	800	(485)	315	Immediate
Total	34,032	(1,008)	33,024	

20% Private Placement

On 2 February 2021, the Private Placement is completed following the listing and quotation of total 775,063,300 placement shares on the Ace Market of Bursa Malaysia Securities Berhad. As at 28 February 2021, 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>Wine Business</i>				
Procurement of inventory	6,147		6,147	Within 12 months
Setting up of a new warehouse	5,000		5,000	Within 6 months
Marketing and promotion	4,000		4,000	Within 24 months
Development of a new platform	2,000		2,000	Within 18 months
Working Capital	3,000		3,000	Within 24 months
Estimated expenses for the Proposed Private Placement	940	(205)	735	Immediate
Total	21,087	(205)	20,882	

LAMBO GROUP BERHAD (517487-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 28 FEBRUARY 2021**B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (for ACE Market)****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 28.02.2021	Preceding Year Corresponding Quarter 28.02.2020	Current Year To Date 28.02.2021	Preceding Year Corresponding period 28.02.2020
	RM	RM	RM	RM
Loss net of tax attributable to owners of the parent	(13,423,602)	N/A	(33,627,349)	N/A
Weighted average number of ordinary shares	3,433,327,267	N/A	3,433,327,267	N/A
EPS (sen) - Basic	(0.39)	N/A	(0.98)	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.

Lambo Group Berhad