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## **NOMAD TECHNOLOGIES HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8645)

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2020**

The board (the “**Board**”) of directors (the “**Directors**”) of Nomad Technologies Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) is pleased to announce the unaudited consolidated results of the Group for the three months ended 30 September 2020. This announcement, containing the full text of the first quarterly report of the Company for the three months ended 30 September 2020 (the “**2020/21 First Quarterly Report**”), complies with the relevant requirements of The Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of the first quarterly results. Printed version of the 2020/21 First Quarterly Report will be delivered to the shareholders of the Company and available on the websites of the GEM at [www.hkgem.com](http://www.hkgem.com) and of the Company at [www.nomad-holdings.com](http://www.nomad-holdings.com) in due course.

By Order of the Board

**Nomad Technologies Holdings Limited**

**Dato’ Eric Tan Chwee Kuang**

*Executive Director, Chairman and Chief Executive Officer*

Malaysia, 9 November 2020

*As at the date of this announcement, the Board comprises Dato’ Eric Tan Chwee Kuang and Mr. Saw Zhe Wei as Executive Directors; and Mr. Lim Peng Chuan Terence, Mr. Phua Cheng Sye Charles and Mr. Yau Yeung On as Independent Non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Listed Company Information” page for at least seven days from the date of its posting. This announcement will also be published on the Company’s website at [www.nomad-holdings.com](http://www.nomad-holdings.com).*

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of Nomad Technologies Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### *Executive Directors*

Dato' Eric Tan Chwee Kuang  
Mr. Saw Zhe Wei

#### *Independent Non-executive Directors*

Mr. Lim Peng Chuan Terence  
Mr. Phua Cheng Sye Charles  
Mr. Yau Yeung On

### AUDIT COMMITTEE

Mr. Lim Peng Chuan Terence (*Chairman*)  
Mr. Yau Yeung On  
Mr. Phua Cheng Sye Charles

### NOMINATION COMMITTEE

Mr. Phua Cheng Sye Charles (*Chairman*)  
Mr. Lim Peng Chuan Terence  
Dato' Eric Tan Chwee Kuang

### REMUNERATION COMMITTEE

Mr. Yau Yeung On (*Chairman*)  
Mr. Lim Peng Chuan Terence  
Dato' Eric Tan Chwee Kuang

### COMPANY SECRETARY

Mr. Tam Chun Wai Edwin (CPA)

### AUTHORISED REPRESENTATIVES

Mr. Tam Chun Wai Edwin (CPA)  
Dato' Eric Tan Chwee Kuang

### COMPLIANCE OFFICER

Dato' Eric Tan Chwee Kuang

### COMPLIANCE ADVISER

Pulsar Capital Limited  
Room 1204, 12/F  
Jubilee Centre  
18 Fenwick Street  
Wanchai, Hong Kong

### HONG KONG LEGAL ADVISER

TC & Co.  
Units 2201-2203  
22/F, Tai Tung Building, 8 Fleming Road  
Wanchai, Hong Kong

### AUDITOR

Mazars CPA Limited  
*Certified Public Accountants*  
42/F, Central Plaza  
18 Harbour Road, Wanchai  
Hong Kong

### REGISTERED OFFICE IN THE CAYMAN ISLANDS

PO Box 1350, Clifton House  
75 Fort Street, Grand Cayman KY1-1108  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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149 Queen's Road Central  
Hong Kong

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

No.25, 25-1 & 25-3, Jalan MH 3  
Taman Muzaffar Heights  
75450 Ayer Keroh  
Melaka, Malaysia

### PRINCIPAL BANKER

Malayan Bank Berhad  
14th Floor, Menara Maybank  
100 Jalan Tun Perak, 50050  
Kuala Lumpur, Malaysia

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited  
PO Box 1350, Clifton House  
75 Fort Street, Grand Cayman KY1-1108  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### STOCK CODE

8645

### WEBSITE OF THE COMPANY

[www.nomad-holdings.com](http://www.nomad-holdings.com)

## FINANCIAL HIGHLIGHTS

The board of Directors of the Company (the “**Board**”) presents the unaudited condensed consolidated financial results of the Group for the three months ended 30 September 2020 (the “**Consolidated Financial Statements**”) together with the comparative figures for the corresponding periods in 2019 as follows:

### FINANCIAL HIGHLIGHTS

	Three months ended 30 September		Change %
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)	
Revenue	8,582	9,881	(13.1)
Gross profit	3,168	3,712	(14.7)
(Loss) Profit for the period	(7)	1,206	N/A
Profit for the period (excluding listing expenses and income tax expenses)	416	2,668	(84.4)

- The Group’s revenue for the three months ended 30 September 2020 amounted to approximately RM8.6 million, representing a decrease of approximately 13.1% as compared with that of the corresponding period in the previous year.
- Gross profit for the three months ended 30 September 2020 decreased by approximately 14.7% to approximately RM3.2 million.
- Loss for the three months ended 30 September 2020 was approximately RM7,000 and, if listing expenses incurred for obtaining a listing of the Company’s shares on GEM of the Stock Exchange on 9 December 2019 (the “**Listing**”) and income tax expenses were excluded, the profit for the three months ended 30 September 2020 would be approximately RM0.4 million, representing a decrease of approximately 84.4% as compared with the corresponding period in the previous year.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Three months ended 30 September	
		2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
<b>Revenue</b>	4	8,582	9,881
Cost of sales and services		(5,414)	(6,169)
<b>Gross profit</b>		3,168	3,712
Other income	5	261	146
Reversal of impairment loss on trade receivables, net		13	186
Selling expenses		(176)	(253)
Administrative and other operating expenses		(2,818)	(1,028)
Listing expenses		-	(712)
Finance costs	6	(32)	(95)
<b>Profit before tax</b>	6	416	1,956
Income tax expenses	7	(423)	(750)
<b>(Loss) Profit for the period</b>		(7)	1,206
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive (expenses) income for the period</b>		(7)	1,206
<b>(Loss) Profit for the period and total comprehensive (expenses) income for the period attributable to:</b>			
Equity holders of the Company		(44)	1,226
Non-controlling interests		37	(20)
		(7)	1,206
<b>(Loss) Earnings per share attributable to equity holders of the Company</b>			
Basic and diluted (RM cents)	8	(0.01)	0.27

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2020

	Attributable to owners of the Company						
	Share capital RM'000	Reserves			Total RM'000	Non- controlling interests RM'000	Total equity RM'000
		Share premium RM'000 (Note a)	Merger reserve RM'000 (Note b)	Accumulated profits RM'000			
At 1 July 2019 (audited)	- *	24,754	(16,314)	22,929	31,369	73	31,442
Profit (Loss) for the period and total comprehensive income (expenses) for the period	-	-	-	1,226	1,226	(20)	1,206
<b>Transactions with owners:</b>							
<i>Contributions and distributions</i>							
Dividends to owner (Note 9)	-	-	-	(1,350)	(1,350)	-	(1,350)
<b>Total transactions with owners</b>	-	-	-	(1,350)	(1,350)	-	(1,350)
At 30 September 2019 (unaudited)	- *	24,754	(16,314)	22,805	31,245	53	31,298

\* Represent amount less than RM1,000

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2020

	Attributable to owners of the Company						
	Share capital RM'000	Reserves			Accumulated profits RM'000	Non-controlling interests RM'000	Total equity RM'000
		Share premium RM'000 (Note a)	Merger reserve RM'000 (Note b)				
At 1 July 2020 (audited)	3,191	46,570	(16,314)	21,062	54,509	(58)	54,451
(Loss) Profit for the period and total comprehensive (expenses) income for the period	-	-	-	(44)	(44)	37	(7)
At 30 September 2020 (unaudited)	3,191	46,570	(16,314)	21,018	54,465	(21)	54,444

### Notes:

- Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the law of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.
- For the consolidated statement of financial position of the Group and the statement of financial position of the Company, merger reserve represents the aggregate amount of the issued and paid-up share capital of the entities now comprising the Group before completion of the Reorganisation and the Company, respectively, less consideration paid to acquire the relevant interests (if any) upon completion of the Reorganisation.



# NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2020

## 1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 5 June 2018, and its shares were listed on GEM by way of share offer (the “**Share Offer**”) on 9 December 2019.

The Company is an investment holding company and the Group is principally engaged in rendering of: (i) network support services mainly encompassing network infrastructure design and hardware installation, network management and security services; and (ii) network connectivity services that focus on providing intranet and internet connectivity solutions and value-added services.

The addresses of the registered office and the principal place of business of the Company are disclosed in the section “Corporate Information” section of this report.

## 2. BASIS OF PREPARATION

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”), which collective term includes all applicable individual IFRSs, International Accounting Standards (“**IASs**”) and Interpretations issued by the IASB as well as with the applicable disclosure requirements of the GEM Listing Rules.

The Consolidated Financial Statements are presented in Malaysian Ringgit (“**RM**”), which is also the functional currency of the Group. All amounts have been rounded to the nearest thousand (“**RM’000**”), unless otherwise indicated.

The preparation of the Consolidated Financial Statements requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses on a year to date basis. Actual results may differ from these estimates.

The Consolidated Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial performance of the Group since 1 July 2020 and, therefore, do not include all of the information required for full set of financial statements prepared in accordance with the IFRSs. They shall be read in conjunction with the Consolidated Financial Statements of the Group for the year ended 30 June 2020 included in the annual report of the Company dated 23 September 2020 (the “**Annual Report 2019/2020**”).

## 2. BASIS OF PREPARATION (CONTINUED)

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values, as appropriate. Except for changes in accounting policies resulting from adoption of new or revised IFRSs, the accounting policies and methods of computation applied in the preparation of the Consolidated Financial Statements are consistent with the Group’s consolidated financial statements for the year ended 30 June 2020.

In the current period, the Group has applied, for the first time, the following new/revised IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group’s Consolidated Financial Statements.

Amendments to IASs 1 and IAS 8	Definition of material <sup>[1]</sup>
Amendments to IAS 39 and IFRSs 7 and 9	Interest Rate Benchmark Reform – Phase 1 <sup>[1]</sup>
Amendments to IFRS 3	Definition of Business <sup>[2]</sup>
Amendments to IFRS 16	Covid-19-Related Rent Concessions <sup>[3]</sup>

<sup>[1]</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>[2]</sup> Effective to acquisitions occur on or after the beginning of the first annual period beginning on or after 1 January 2020

<sup>[3]</sup> Effective for annual periods beginning on or after 1 June 2020

The new/revised IFRSs are not applicable to the preparation of the Group’s Consolidated Financial Statements and has no material effect on the amounts reported and/or disclosures set out in the Consolidated Financial Statements.

The Group has not early adopted any new or revised IFRSs that has been issued but not yet effective in the current accounting period.

The Consolidated Financial Statements have not been audited by the Company’s independent auditor but have been reviewed by the audit committee of the Board (the “**Audit Committee**”) and were approved for issue by the Board.

### 3. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on network support services and network connectivity services in Malaysia during the three months ended 30 September 2020 and 2019. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to IFRSs that are regularly reviewed by the executive directors of the Company, being identified as the chief operating decision maker. They review the results of the Group as a whole in order to assess financial performance and allocation of resources. Accordingly, the operation of the Group constitutes only one single operating segment and no further analysis of this single segment is presented.

#### *Geographical information*

The Group's operation is mainly located in Malaysia.

The following sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment (the "**Specified Non-current Assets**"). The geographical location of the Specified Non-current Assets is based on the physical location of the assets.

**(a) Revenue from external customers**

All the Group's revenue from external customers is derived from Malaysia for the three months ended 30 September 2020 and 2019.

**(b) Specified Non-current Assets**

At 30 September 2020 and 2019, all the Specified Non-current Assets of the Group are located in Malaysia.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2020

### 4. REVENUE

	Three months ended 30 September	
	2020 RM'000 (unaudited)	2019 RM'000 (unaudited)
<b>Revenue from contracts with customers within IFRS 15</b>		
Sales of hardware	498	1,052
Rendering of services		
– On-site installation of hardware	175	741
– Network management and security services	648	1,391
– Network connectivity services	5,785	5,298
	<b>7,106</b>	<b>8,482</b>
<b>Revenue from other sources</b>		
Revenue from lease of hardware under operating lease with fixed lease payments	1,476	1,399
	<b>8,582</b>	<b>9,881</b>
<b>Timing of revenue recognition</b>		
At a point in time	498	1,052
Over time	8,084	8,829
	<b>8,582</b>	<b>9,881</b>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the three months ended 30 September 2020

5. OTHER INCOME

	Three months ended 30 September	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
Interest income from bank deposits	96	2
Foreign exchange gain, net	–	141
Others	165	3
	<b>261</b>	<b>146</b>

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2020

### 6. PROFIT BEFORE TAX

This is stated after charging:

	Three months ended 30 September	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
<b>Finance costs</b>		
Interest on bank borrowings and bank overdrafts	19	65
Interest on lease liabilities	13	30
	<b>32</b>	95
<b>Staff costs (including Directors' emoluments)</b>		
Salaries, discretionary bonus, allowances and other benefits in kind	1,085	877
Contributions to defined contribution plans	128	141
	<b>1,213</b>	1,018
<b>Other items</b>		
Amortisation of contract costs	176	253
Cost of inventories	480	684
Depreciation of property, plant and equipment	1,940	884
Lease payment of premises under short-term leases	-	2

**7. INCOME TAX EXPENSES**

	<b>Three months ended 30 September</b>	
	<b>2020 RM'000 (Unaudited)</b>	<b>2019 RM'000 (Unaudited)</b>
Malaysia Corporate Income Tax ("CIT"):		
Current year	<b>19</b>	417
Deferred tax	<b>404</b>	333
	<b>423</b>	750

Income tax expenses represent Malaysia CIT paid or payable at the applicable tax rates in accordance with the relevant laws and regulations in Malaysia, set off by or include the deferred taxation due to the temporary differences arising from the accelerated accounting depreciation, provision for contract costs and contract liabilities.

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdiction in which members of the Group domicile or operate.

The group entities established in the Cayman Islands and the BVI are exempted from income tax.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong.

Malaysia CIT is calculated at the rate of 24% (three months ended 30 September 2019: 24%) of the Group's estimated assessable profits arising from Malaysia during the three months ended 30 September 2020.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2020

### 8. (LOSS) EARNINGS PER SHARE

The calculation of basic (loss) earnings per share attributable to equity holders of the Company is based on the following information:

	Three months ended 30 September	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
(Loss) Profit for the period attributable to equity holders of the Company, used in basic and diluted (loss) earnings per share calculation	(44)	1,226

  

	Number of shares	
	2020	2019
Weighted average number of ordinary shares for basic and diluted (loss) earnings per share calculation	600,000,000	450,000,000

The weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share has been determined on the assumption that the Reorganisation and the Capitalisation Issue had been effective on 1 July 2018.

Diluted (loss) earnings per share is the same as basic (loss) earnings per share as there are no dilutive potential ordinary shares in existence during the periods.

### 9. DIVIDENDS

On 17 July 2019 and 18 September 2019, interim dividends of RM12,500 per share with total amount of RM500,000 and RM21,250 per ordinary share with total amount of RM850,000 were declared and paid by a subsidiary of the Group, respectively, to the equity holders of the Company.

No other dividend has been declared nor paid by the Group for the three months ended 30 September 2020 and 2019.



### BUSINESS REVIEW

The Company is an investment holding company and the Group is principally engaged in rendering of (i) network support services mainly encompassing network infrastructure design and hardware installation, network management and security services; and (ii) network connectivity services that focus on providing intranet and internet connectivity solutions and value-added services.

The shares of the Company (the “**Shares**”) were successfully listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 9 December 2019 (the “**Listing Date**”) (the “**Listing**”). Enhancing our capital strength and reinforcing the resources for future development as in line with the Group’s long term objective in strengthening our position as one of the major players in the Information and Communication Technology (“**ICT**”) industry in Malaysia has been an important milestone for the Group.

The outbreak of the Novel Coronavirus (“**COVID-19**”) impacts business operations and overall economy globally. Businesses in Malaysia have no exception and been adversely affected especially with the third wave of outbreak currently happening in Malaysia. Many businesses have taken a careful step in their expansion and expenditure that resulted of some new and on-going projects being put on hold or delayed due to market uncertainty. The Federal Government of Malaysia has implemented a series of measures to contain the epidemic and the new norm is going through normalisation process for the community to get used to, which indirectly also impacts our efficiency in delivering projects. The Group will stay alert on the development and situation of the COVID-19, continue to assess its impacts on the financial position and operating results of the Group and to take necessary action to maintain stability of the businesses.

Although prolonged market uncertainty will lead to some existing and potential customers considering budget cut or deferring business activities, the Group remains optimistic about the prospects of IT related services. The COVID-19 has exposed the importance of technology and has accelerated technological development especially in aspects of remote working, cloud solutions and telecommunications. Social distancing and remote working have created customer demand for IT related products and services. Computer hardware, network equipment and IT services become essential elements for every company to support its business development and to catch up with technology advancement. The Group is positive in seeing this as a potential opportunity in this area by facilitating customers’ needs on IT infrastructure and connectivity solutions.

### PROSPECTS

Looking ahead, the Group foresees that there will be challenges in the near future due to economic uncertainties that's affecting many markets at the moment and the customers are adopting a "wait and see" attitude for the time being. To achieve sustainable growth, the Group will endeavour its readiness to adapt by evolving and responding swiftly to the needs of the market by broadening our ICT offerings to our customers.

The ICT industry is a fast-evolving industry globally including Malaysia. The implementation of Data Content Management ("**DCM**") (a cloud-based data content management solution) and Secure Cloud Service ("**SCS**") (cloud-based internet security services) has seen many positive responses from the market. As at the date of this report, the Group has received few customers' purchase orders from both existing and new customers to implement SCS. The Group is also looking forward for more potential opportunities as we are working closely with our prospects on their budget requirements. The Group is optimistic that the new ICT offerings complements our existing business.

Nevertheless, the Group expects to face more challenges and opportunities in this financial year. We will keep a close watch on the development of the situation, continue to refine our management system and make timely adjustments to our operations and sales strategies.

The Group is committed to implement cautious approach on the development of the existing businesses and seek for better business opportunities to mitigate the impacts of the market's current volatility and to improve the performance of the Group in order to safeguard the interest of the shareholders of the Company (the "**Shareholders**").

### FINANCIAL REVIEW

#### *Revenue*

The Group derives its revenue primarily from the provision of comprehensive and customised (i) network support services which includes the revenue from sales of hardware, on-site installation of hardware, network management and securities services, and lease of hardware and (ii) network connectivity services.

Our revenue decreased by approximately RM1.3 million or 13.1% from approximately RM9.9 million for the three months ended 30 September 2019 to approximately RM8.6 million for the three months ended 30 September 2020. Such decrease was mainly attributable to the approximately 39.1% decrease in revenue generated from network support services offset by approximately 9.4% increase in revenue generated from network connectivity services during the period.

The decrease in revenue generated from network support services was mainly attributable to (i) the decrease in revenue generated from on-site installation of hardware of approximately RM0.5 million or 71.4% from approximately RM0.7 million for the three months ended 30 September 2019 to approximately RM0.2 million for the three months ended 30 September 2020, (ii) the decrease in revenue generated from network management and security services of approximately RM0.8 million or 57.1% from approximately RM1.4 million for the three months ended 30 September 2019 to approximately RM0.6 million for the three months ended 30 September 2020 and (iii) the decrease in revenue generated from sales of hardware and lease of hardware of approximately RM0.5 million or 20.0% from approximately RM2.5 million for the three months ended 30 September 2019 to approximately RM2.0 million for the three months ended 30 September 2020, primarily due to the outbreak of COVID-19 in the early 2020.

The increase in revenue generated from network connectivity services was mainly attributable to the subscription fees revenue received from (i) new contracts from our existing customers and (ii) new contracts from new customers.

#### *Cost of sales and services*

Our cost of sales and services decreased by approximately RM0.8 million or 12.9% from approximately RM6.2 million for the three months ended 30 September 2019 to approximately RM5.4 million for the three months ended 30 September 2020, which was mainly attributable to the net effect of (i) decrease in cost of telecommunication and network subscription of approximately RM0.1 million, (ii) decrease in cost of network equipment and hardware of approximately RM0.2 million and (iii) decrease in cost of cabling of approximately RM0.6 million, offset by (iv) increase in depreciation of property, plant and equipment of approximately RM0.1 million.

#### *Other Income*

Our other income increased by approximately RM0.2 million or 200% from approximately RM0.1 million for the three months ended 30 September 2019 to approximately RM0.3 million for the three months ended 30 September 2020. Such increase was primarily attributable to (i) receipt of interest income from bank deposits of approximately RM0.1 million, (ii) receipt of Wage Subsidy from the Federal Government of Malaysia under an economic stimulus package announced on 27th March 2020 of approximately RM0.1 million and (iii) refund receipts from the Human Resources Development Fund (“**HRDF**”) and vendor of approximately RM0.1 million, offset by (iv) derecognition of net foreign exchange gain of approximately RM0.1 million (three months ended 30 September 2020: net foreign exchange loss of approximately RM0.4 million).

### *Selling expenses*

Our selling expenses decreased by approximately RM0.1 million or 33.3% from approximately RM0.3 million for the three months ended 30 September 2019 to approximately RM0.2 million for the three months ended 30 September 2020. Such decrease was mainly due to decrease of revenue for the three month ended 30 September 2020.

### *Administrative and other operating expenses*

Our administrative and other operating expenses increased by approximately RM1.8 million or 180% from approximately RM1.0 million for the three months ended 30 September 2019 to approximately RM2.8 million for the three months ended 30 September 2020. The increase was primarily due to (i) increase in depreciation of property, plant and equipment from approximately RM0.2 million for the three months ended 30 September 2019 to approximately RM1.2 million for the three months ended 30 September 2020, (ii) increase in staff cost for administrative and management personnel (including Directors) from approximately RM0.6 million for the three months ended 30 September 2019 to approximately RM0.7 million for the three months ended 30 September 2020, (iii) increase in professional fee such as legal fee, secretarial fee and etc from approximately RM22,000 for the three months ended 30 September 2019 to approximately RM0.3 million for the three months ended 30 September 2020 and (iv) the recognition of net foreign exchange loss of approximately RM0.4 million for the three months ended 30 September 2020 (three months ended 30 September 2019: net foreign exchange gain of approximately RM0.1 million).

### *Finance Cost*

Our finance costs decreased by approximately RM63,000 or 66.3% from approximately RM95,000 for the three months ended 30 September 2019 to approximately RM32,000 for the three months ended 30 September 2020. The decrease was mainly due to full repayment of the outstanding balances of certain bank borrowings and finance lease and lease liabilities upon the successful Listing to release the personal guarantee given by Dato' Tan, a Director of the Company and Ms Kwong Shir Ling ("**Ms. Kwong**"), a shareholder of the holding company of the Company.

### *Income tax expenses*

Our income tax expenses decreased by RM0.4 million or 50% from approximately RM0.8 million for the three months ended 30 September 2019 to approximately RM0.4 million for the three months ended 30 September 2020. It was mainly attributable to the decrease of income tax expenses of approximately RM0.4 million due to decrease of our assessable profits during the period.

*(Loss) Profit and total comprehensive (expenses) income for the period*

Our loss and total comprehensive expenses for the three months ended 30 September 2020 amounted to approximately RM7,000, in contrast with the profit and total comprehensive income of approximately RM1.2 million for the three months ended 30 September 2019. It was mainly due to the combined effects of the decrease in revenue, which was larger than the decrease in cost of sales and services and thus resulting in decrease in our gross profit, and the increase in administrative and other operating expenses as analysed above.

**CAPITAL STRUCTURE**

The Shares were listed on GEM of the Stock Exchange on 9 December 2019. There has been no change in the capital structure of the Company since then. As at 30 September 2020, the capital structure of the Company comprised mainly of issued share capital and reserves.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provision of the SFO), or as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

#### (i) Long position in the ordinary Shares of the Company

Name of Director	Nature of interest and capacity	Number of Shares held/ interested (Note 1)	Approximate percentage of shareholding
Dato' Tan (Note 2) (Note 3)	Interest in a controlled corporation and interest of spouse	337,500,000(L)	56.25%

#### Notes:

1. The letter "L" demonstrates long position.
2. Dato' Tan beneficially owns the entire issued shares of Advantage Sail Limited ("**Advantage Sail**"), a company incorporated in the British Virgin Islands, which in turn holds 303,750,000 Shares or approximately 50.625% of the issued share capital of the Company. Therefore, Dato' Tan is deemed, or taken to be, interested in all the Shares held by Advantage Sail for the purpose of the SFO.
3. Ms. Kwong Shir Ling ("**Ms. Kwong**") beneficially owns the entire issued shares of Robust Cosmos Limited ("**Robust Cosmos**"), a company incorporated in the British Virgin Islands, which in turn holds 33,750,000 Shares or approximately 5.625% of the issued share capital of the Company. Therefore Ms. Kwong is deemed, or taken to be, interested in all the Shares held by Robust Cosmos for the purpose of the SFO. Dato' Tan is the spouse of Ms. Kwong. Accordingly, Dato' Tan is deemed, or taken to be, interested in the Shares in which Ms. Kwong is interested for the purpose of the SFO.

(ii) *Long position in the ordinary shares of associated corporations*

<b>Name of Directors</b>	<b>Name of associated corporation</b>	<b>Capacity/Nature</b>	<b>Number of shares held</b>	<b>Approximate percentage of interest</b>
Dato' Tan	Advantage Sail	Beneficial owner	1 ordinary share	100%

Save as disclosed above, as at 30 September 2020, none of the Directors nor chief executive of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they have taken or deemed to have under such provisions of the SFO) or which had been recorded in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

**DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed in the paragraph headed "Directors' and Chief Executive's Interests and/or Short Positions in Shares, Underlying Shares and Debentures" above and in the paragraph headed "Share Option Scheme" below, at no time during the three months ended 30 September 2020 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors and the chief executive of the Company, as at 30 September 2020, the following persons (other than a Director or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required pursuant to section 336 of the SFO to be entered in the register referred to therein:

### Long Position in the ordinary Shares of the Company

Name	Nature of interest and Capacity	Number of Shares held/ interested (Note 1)	Approximate percentage of Shareholding
Dato' Tan (Note 2) (Note 3)	Interest in a controlled corporation and interest of spouse	337,500,000(L)	56.25%
Ms. Kwong (Note 4) (Note 5)	Interest in a controlled corporation and interest of spouse	337,500,000(L)	56.25%
Advantage Sail (Note 2)	Beneficial owner	303,750,000(L)	50.625%
Robust Cosmos (Note 5)	Beneficial owner	33,750,000(L)	5.625%
Mr. Foo Moo Teng ("Mr. Foo") (Note 6)	Interest in a controlled corporation	112,500,000(L)	18.75%
Alpha Vision Ventures Limited ("Alpha Vision") (Note 6)	Beneficial owner	112,500,000(L)	18.75%

#### Notes:

- The letter "L" demonstrates long position.
- Dato' Tan beneficially owns the entire issued shares of Advantage Sail. Therefore, Dato' Tan is deemed, or taken to be, interested in all the Shares held by Advantage Sail for the purpose of the SFO.
- Dato' Tan is the spouse of Ms. Kwong. Accordingly, Dato' Tan is deemed, or taken to be, interested in the Shares in which Ms. Kwong is interested for the purpose of the SFO.
- Ms. Kwong is the spouse of Dato' Tan. Accordingly, Ms. Kwong is deemed, or taken to be, interested in the Shares in which Dato' Tan is interested for the purpose of the SFO.
- Ms. Kwong beneficially owns the entire issued shares of Robust Cosmos. Therefore, Ms. Kwong is deemed, or taken to be, interested in all the Shares held by Robust Cosmos for the purpose of the SFO.
- Mr. Foo beneficially owns the entire issued shares of Alpha Vision. Therefore, Mr. Foo is deemed, or taken to be, interested in all the Shares held by Alpha Vision for the purpose of the SFO.



*Interest in other member of the Group*

Name of member of the Group	Name of shareholder	Approximate percentage of shareholding
IP Core Network Sdn. Bhd. (108744-U)	Ms. Fathim Nur Zaida Binti Zainal Ariffin ( <b>Ms. Zainal Ariffin</b> )	30%

*Note:*

Ms. Zainal Ariffin is one of the members of the Group's senior management.

Save as disclosed above, as at 30 September 2020, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests and/or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

**SHARE OPTION SCHEME**

The Company has a share option scheme (the **"Share Option Scheme"**) which was conditionally approved and adopted by the shareholders of the Company on 11 November 2019. Details of the Share Option Scheme are set out in Appendix IV to the prospectus of the Company dated 25 November 2019. No share option has been granted under the Share Option Scheme since its adoption.

**AUDIT COMMITTEE**

As at 30 September 2020, the Audit Committee has three members comprising three Independent Non-executive Directors, namely Mr. Lim Peng Chuan Terence (Chairman), Mr. Yau Yeung On and Mr. Phua Cheng Sye Charles. None of them are members of the former or existing auditors of the Company. The Board considers that the Audit Committee has extensive commercial experience in business, financial and legal matters. The primary duties of the Audit Committee include, among other matters, to review and monitor financial reporting and the judgment contained therein; to review financial, internal controls and risk management systems, accounting policies and practices with management and external auditors; and to review the Company's compliance with the Corporate Governance Code (**"CG Code"**) contained in Appendix 15 to the GEM Listing Rules.

## OTHER INFORMATION

The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls, risk management systems and financial reporting matters, and the Company's policies and practices on corporate governance. The Audit Committee has also reviewed and discussed with the management the unaudited condensed consolidated financial results of the Group for the three months ended 30 September 2020 and this report and is of the opinion that the preparation of such statements compiled with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

### CORPORATE GOVERNANCE CODE

The Company has adopted and complied with, where applicable, the CG Code during the three months ended 30 September 2020 to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner, save for the deviation stipulated below.

According to the code provision A.2.1 of the CG Code, the role of chairman and chief executive officer should be separated and should not be performed by the same individual. Under the current management structure of the Company, Dato' Tan is the chairman of the Board (the "**Chairman**") and chief executive officer of the Company (the "**Chief Executive Officer**"). As Dato' Tan has been leading the Group as the Chief Executive Officer and actively involved in the core business of the Group since 2007, and due to his familiarity with the operations of the Group, the Board believes that it is in the best interest of the Group to continue to have Dato' Tan acting as both the Chief Executive Officer and the Chairman for effective management and business planning of the Group. Further, the Company has put in place an appropriate check-and-balance mechanism through the Board and three Independent Non-executive Directors. The Company will consult the Board for any major decisions. Therefore, the Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in such circumstances.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standards of dealings (the "**Required Standard of Dealings**") set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the Required Standard of Dealings during the three months ended 30 September 2020.

### **DIRECTORS' COMPETING INTERESTS**

During the three months ended 30 September 2020, so far as the Directors are aware, none of the Directors, controlling shareholders and substantial shareholders of the Company, neither themselves nor their respective close associates (as defined under the GEM Listing Rules) had held any position or had interest in restricted business or any businesses or companies that were materially competing or might materially compete with the business of the Group, or gave rise to any concern regarding conflict of interest.

### **INTERESTS OF THE COMPLIANCE ADVISER**

As at 30 September 2020, as notified by the Company's compliance adviser, Pulsar Capital Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 22 November 2019, neither the Compliance Adviser nor any of its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the securities of the Group (including options or rights to subscribe for such securities) pursuant to Rules 6A.32 of the GEM Listing Rules.

### **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 September 2020.

### **FORWARD LOOKING STATEMENTS**

This report contains forward looking statements with respect to the financial conditions, results of operations and business of the Group. These forward looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

## APPRECIATION

The Group's continued success depends on all its staff's commitment, dedication and professionalism. The Board would like to thank every member of staff for their diligence and dedication and to express its sincere appreciation to our shareholders, clients and suppliers for their continuous and valuable support.

By Order of the Board  
**Nomad Technologies Holdings Limited**  
**Dato' Eric Tan Chwee Kuang**  
*Executive Director, Chairman and Chief Executive Officer*

Malaysia, 9 November 2020

*As at the date of this report, the Board comprises Dato' Eric Tan Chwee Kuang and Mr. Saw Zhe Wei as Executive Directors; and Mr. Lim Peng Chuan Terence, Mr. Phua Cheng Sye Charles and Mr. Yau Yeung On as Independent Non-executive Directors.*

*Website: <http://www.nomad-holdings.com>*