



Third Quarterly Report
2020/2021

nomad
HOLDINGS LIMITED

Nomad Technologies Holdings Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 8645

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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.*

CONTENTS

Pages

2	Corporate Information
3	Financial Highlights
4	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
5	Condensed Consolidated Statement of Changes in Equity
7	Notes to Condensed Consolidated Financial Statements
14	Management Discussion and Analysis
20	Other Information

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)
(Resigned on 1 January 2021)
Ms. Wong Po Lam (CPA)
(Appointed on 1 January 2021)

AUTHORISED REPRESENTATIVES

Mr. Tam Chun Wai Edwin (CPA)
(Resigned on 1 January 2021)
Ms. Wong Po Lam (CPA)
(Appointed on 1 January 2021)
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

Windward 3, Regatta Office Park
PO Box 1350, Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 13th Floor, Winsan Tower
98 Thomson Road, Wanchai
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
Windward 3, Regatta Office Park
PO Box 1350, 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

FINANCIAL HIGHLIGHTS

The board of Directors of the Company (the “**Board**”) presents the unaudited condensed consolidated financial results of the Group for the nine months ended 31 March 2021 (the “**Consolidated Financial Statements**”) together with the comparative figures for the corresponding period in 2020 as follows:

FINANCIAL HIGHLIGHTS

	Nine months ended 31 March		Change %
	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	
Revenue	29,646	27,976	6.0
Gross profit	9,916	9,974	(0.6)
Profit for the period	845	850	(0.6)
Profit for the period (excluding listing expenses and income tax expenses)	1,970	6,439	(69.4)

- The Group’s revenue for the nine months ended 31 March 2021 amounted to approximately RM29.6 million, representing an increase of approximately 6.0% as compared with that of the corresponding period in the previous year.
- Gross profit for the nine months ended 31 March 2021 decreased by approximately 0.6% to approximately RM9.9 million.
- Profit for the nine months ended 31 March 2021 was approximately RM0.8 million and, if the Company’s listing expenses incurred for obtaining a listing of the Company’s shares on GEM of the Stock Exchange and income tax expenses were excluded, the profit for the nine months ended 31 March 2021 would be approximately RM2.0 million, representing a decrease of approximately 69.4% 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 31 March		Nine months ended 31 March	
		2021	2020	2021	2020
		RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)
Revenue	4	11,323	8,401	29,646	27,976
Cost of sales and services		(7,322)	(6,447)	(19,730)	(18,002)
Gross profit		4,001	1,954	9,916	9,974
Other income	5	90	1,540	509	1,768
Reversal of impairment loss on trade receivables, net		-	21	136	285
Selling expenses		(240)	(217)	(692)	(695)
Administrative and other operating expenses		(2,117)	(1,354)	(7,800)	(4,576)
Listing expenses		-	-	-	(4,286)
Finance costs		(28)	(131)	(99)	(317)
Profit before tax	6	1,706	1,813	1,970	2,153
Income tax expenses	7	(371)	(40)	(1,125)	(1,303)
Profit and total comprehensive income for the period		1,335	1,773	845	850
Profit (loss) and total comprehensive income (expenses) for the period attributable to:					
Equity holders of the Company		1,322	1,840	761	937
Non-controlling interests		13	(67)	84	(87)
		1,335	1,773	845	850
Earnings per share attributable to equity holders of the Company					
- Basic and diluted (RM cents)	9	0.22	0.31	0.13	0.18

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 March 2021

	Attributable to equity holders of the Company						
	Reserves				Total	Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Accumulated profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 July 2019 (audited)	-*	24,754	(16,314)	22,929	31,369	73	31,442
Profit (loss) and total comprehensive income (expenses) for the period	-	-	-	937	937	(87)	850
Transactions with owners:							
<i>Contributions and distributions</i>							
Capitalisation Issue	2,393	(2,393)	-	-	-	-	-
Issue of share capital	798	31,110	-	-	31,908	-	31,908
Transaction costs attributable to issue of new shares	-	(6,901)	-	-	(6,901)	-	(6,901)
Dividends to owner (Note 8)	-	-	-	(1,350)	(1,350)	-	(1,350)
Total transactions with owners	3,191	21,816	-	(1,350)	23,657	-	23,657
At 31 March 2020 (unaudited)	3,191	46,570	(16,314)	22,516	55,963	(14)	55,949
At 1 July 2020 (audited)	3,191	46,570	(16,314)	21,062	54,509	(58)	54,451
Profit and total comprehensive income for the period	-	-	-	761	761	84	845
At 31 March 2021 (unaudited)	3,191	46,570	(16,314)	21,823	55,270	26	55,296

* Represent amount less than RM1,000

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 March 2021

Notes:

- a. 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.
- b. 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 corporate reorganisation of our Group conducted in preparation for the Listing details of which are set out in the section headed "History, Reorganisation and corporate structure" to the Prospectus of the Company dated 25 November 2019 (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 nine months ended 31 March 2021

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 IAS 1 and IAS 8	Definition of material ^[1]
Amendments to IAS 39 and IFRSs 7 and 9	Interest Rate Benchmark Reform – Phase 1 ^[1]
Amendments to IFRS 3	Definition of Business ^[2]
Amendments to IFRS 16	COVID-19-Related Rent Concessions ^[3]

^[1] Effective for annual periods beginning on or after 1 January 2020

^[2] Effective to acquisitions occur on or after the beginning of the first annual period beginning on or after 1 January 2020

^[3] 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 nine months ended 31 March 2021 and 2020. 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 nine months ended 31 March 2021 and 2020.

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

At 31 March 2021 and 2020, all the Specified Non-current Assets of the Group are located in Malaysia.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 March 2021

4. REVENUE

	Three months ended 31 March		Nine months ended 31 March	
	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
Revenue from contracts with customers within IFRS 15				
Sales of hardware	2,732	500	4,310	3,413
Rendering of services				
– On-site installation of hardware	524	336	1,007	1,426
– Network management and security services	689	1,291	2,000	3,687
– Network connectivity services	5,898	4,700	17,818	14,765
	9,843	6,827	25,135	23,291
Revenue from other sources				
Revenue from lease of hardware under operating lease with fixed lease payments	1,480	1,574	4,511	4,685
	11,323	8,401	29,646	27,976
Timing of revenue recognition				
At a point in time	2,732	500	4,310	3,413
Over time	7,111	6,327	20,825	19,878
	9,843	6,827	25,135	23,291

5. OTHER INCOME

	Three months ended 31 March		Nine months ended 31 March	
	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
Interest income from bank deposits	89	60	276	260
Foreign exchange gain, net	–	1,466	–	1,466
Others	1	14	233	42
	90	1,540	509	1,768

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 March 2021

6. PROFIT BEFORE TAX

	Three months ended 31 March		Nine months ended 31 March	
	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
<i>Finance costs</i>				
Interest on bank borrowings and bank overdrafts	16	94	55	221
Interest on lease liabilities	12	37	44	96
	28	131	99	317
<i>Staff costs (including directors' emoluments)</i>				
Salaries, discretionary bonus, allowances and other benefits in kind	1,111	1,143	3,249	3,313
Contributions to defined contribution plans	127	119	370	325
	1,236	1,262	3,617	3,638
<i>Other items</i>				
Amortisation of contract costs	240	217	692	695
Cost of inventories	2,165	440	3,669	1,886
Depreciation of property, plant and equipment	1,889	1,001	5,697	2,937
Lease payment of premises under short-term leases	-	-	-	7

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 March 2021

7. INCOME TAX EXPENSES

	Three months ended 31 March		Nine months ended 31 March	
	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
Malaysia Corporate Income Tax ("CIT"):				
Current period	417	35	691	1,439
Deferred tax	(46)	5	434	(136)
	371	40	1,125	1,303

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 included 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% (nine months ended 31 March 2020: 24%) of the Group's estimated assessable profits arising from Malaysia during the nine months ended 31 March 2021.

8. 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 prior to the Listing.

No other dividend has been declared nor paid by the Group for the nine months ended 31 March 2021 and 2020.

9. EARNINGS PER SHARE

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

	Three months ended 31 March		Nine months ended 31 March	
	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
Profit for the period attributable to equity holders of the Company, used in basic and diluted earnings per share calculation	1,322	1,840	761	937
	Number of shares		Number of shares	
	2021	2020	2021	2020
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	600,000,000	600,000,000	600,000,000	512,181,818

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

Diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares in existence during the nine months ended 31 March 2021 and 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

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 were successfully listed on the GEM of the Stock Exchange by way of share offer of its shares (the “**Share Offer**”) on 9 December 2019 (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.

COVID-19 THE REALITY OF “THE NEW NORM”

The onset of the COVID-19 has exposed existing weak links across industries, government and in all corners of the world impacting global and local economy. The urgency and importance of addressing these weak links have radically shifted and many decisions and discussions have been brought forward to be in extra caution in every step all the way. The Company is no exception either as frequent meeting with the key management people to understand and see through any existing and new potential threats from employee safety, business growth, operating expenditure and so on.

The COVID-19 started as a health crisis, which quickly evolved into a global economic crisis at a speed and magnitude we have not seen in our lifetime. The ripple effects are still unfolding on a global scale and it is unlikely that the true impact of this pandemic can be measured until the situation stabilizes. As a saying, when things get tough, the tough gets going. The Company is committed to ensure that business is carried on as usual while enduring this challenging times. The Company believes that when this uncertain anxiety passes, customer sentiment will cautiously improve towards recovery post COVID-19.

Business in Malaysia is no exception and has been adversely affected especially with the third wave of the outbreak currently happening in Malaysia. Many businesses have taken a careful step in their expansion and expenditure that resulted in 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 pandemic and the new norm is going through normalisation process for the community to get used to, which indirectly also impacted 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.

On the pandemic front, the Malaysian Government has received international recognition for its efforts regarding testing, contact tracing, quarantine, and treatment of the COVID-19, while keeping first responders safe and providing reliable information and advice to the public. Daily updated information on the numbers and rates of infection, fatalities and recoveries and identification of 'hot spots' track progress in 'flattening the curve'.

To break the transmission by restricting movement and contact, the Malaysian Government imposed a Movement Control Order ("**MCO**") starting 18 March 2020 and extended to 12 May 2020. The MCO imposed stay-at-home orders, banned outdoor activities which include interstate travel and shut down all businesses except a few designated essential services and the natural resource sectors. A decision to significantly relax the regulations by 4 May 2020 under a Conditional Movement Control Order ("**CMCO**") raised concerns that this could lead to another spike in infections.

The CMCO was extended to 9 June 2020, with almost all economic activities and public movements allowed but under strict health and safety Standard Operating Procedures ("**SOPs**").

However, since 9 October 2020, Malaysia has entered the third wave of the COVID-19 pandemic and the Malaysian Government decided to re-impose the MCO starting 13 January to 4 March 2021. The MCO order has been extended multiple times and has, at times, switched to either the CMCO, or the Recovery Movement Control Order ("**RMCO**"). However, follow by the number of rising cases of the COVID-19 in Malaysia in early of May 2021, the Malaysian Government has re-imposed MCO starting 10 May 2021 to 7 June 2021.

Although the 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 network connectivity services. The Group is progressively on the look out for any creatives endeavour that could add or strengthen further customer engagement by adding or upselling more values.

PROSPECTS

Looking ahead, the Group foresees that there will be challenges soon 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.

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 some 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 the 2020/2021 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 security services and (ii) network connectivity services.

Our revenue increased by approximately RM1.6 million or 6.0% from approximately RM28.0 million for the nine months ended 31 March 2020 to approximately RM29.6 million for the nine months ended 31 March 2021. Such increase was mainly attributable to the approximately 20.7% increase in revenue generated from network connectivity services during the period offset by approximately 10.6% decrease in revenue generated from network support services.

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.

The decrease in revenue generated from network support services was mainly attributable to (i) the decrease in the revenue generated from on-site installation of hardware of approximately RM0.4 million or 28.6% from approximately RM1.4 million for the nine months ended 31 March 2020 to approximately RM1.0 million for the nine months ended 31 March 2021 and (ii) the decrease in the revenue generated from network management and security services of approximately RM1.7 million or 45.9% from approximately RM3.7 million for the nine months ended 31 March 2020 to approximately RM2.0 million for the nine months ended 31 March 2021, and offset by (iii) the increase in the revenue generated from sales of hardware and lease of hardware of approximately RM0.7 million or 8.6% from approximately RM8.1 million for the nine months ended 31 March 2020 to approximately RM8.8 million for the nine months ended 31 March 2021.

Cost of sales and services

Our cost of sales and services increased by approximately RM1.7 million or 9.4% from approximately RM18.0 million for the nine months ended 31 March 2020 to approximately RM19.7 million for the nine months ended 31 March 2021, which was mainly attributable to the net effect of (i) increase in cost of telecommunication and network subscription of approximately RM0.2 million, (ii) increase in cost of network equipment and hardware of approximately RM1.8 million, (iii) increase in cost of cabling of approximately RM0.3 million, offset by (iv) decrease in staff cost of approximately RM0.2 million, (v) decrease in depreciation of property, plant and equipment of approximately RM0.2 million and (vi) decrease in consultation fee of approximately RM0.2 million.

Other income

Our other income decreased by approximately RM1.3 million or 72.2% from approximately RM1.8 million for the nine months ended 31 March 2020 to approximately RM0.5 million for the nine months ended 31 March 2021. Such decrease was primarily due to the recognition of net foreign exchange gain of approximately RM1.5 million for the nine months ended 31 March 2020 (nine months ended 31 March 2021: net foreign exchange loss of approximately RM0.5 million), offset by (i) receipt of Wage Subsidy of approximately RM0.1 million from the Federal Government of Malaysia under an economic stimulus package announced on 27 March 2020 and (ii) refund receipts of approximately RM0.1 million from the Human Resources Development Fund (“HRDF”) and vendor.

Selling expenses

Our selling expenses mainly represented commission paid to our sales representatives for securing contracts with new and existing customers. Such cost remained stable at approximately RM0.7 million for the nine months ended 31 March 2021 and 2020.

Administrative and other operating expenses

Our administrative and other operating expenses increased by approximately RM3.2 million or 69.6% from approximately RM4.6 million for the nine months ended 31 March 2020 to approximately RM7.8 million for the nine months ended 31 March 2021. The increase was primarily due to (i) the increase in depreciation of property, plant and equipment from approximately RM0.6 million for the nine months ended 31 March 2020 to approximately RM3.5 million for the nine months ended 31 March 2021 and (ii) the recognition of net foreign exchange loss of approximately RM0.5 million for the nine months ended 31 March 2021 (nine months ended 31 March 2020: net foreign exchange gain of approximately RM1.5 million), and offset by (iii) the decrease in leased assets written off at approximately RM0.2 million.

Finance costs

Our finance costs decreased by approximately RM0.2 million or 66.7% from approximately RM0.3 million for the nine months ended 31 March 2020 to approximately RM0.1 million for the nine months ended 31 March 2021. The decrease was mainly due to the full repayment of the outstanding balances of certain bank borrowings and finance leases 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 approximately RM0.2 million or 15.4% from approximately RM1.3 million for the nine months ended 31 March 2020 to approximately RM1.1 million for the nine months ended 31 March 2021. It was mainly attributable to (i) the decrease of income tax expenses of approximately RM0.7 million due to the increase of tax deductible expenses offset by (ii) changes from deferred tax income of approximately RM0.1 million for the nine months ended 31 March 2020 to deferred tax expenses of approximately RM0.4 million for the nine months ended 31 March 2021 in relation to the temporary differences arising from the accelerated accounting depreciation, provision for contract costs and contract liabilities.

Profit and total comprehensive income for the period

Our profit and total comprehensive income remained relatively stable at approximately RM0.8 million and RM0.9 million for the nine months ended 31 March 2021 and 2020 respectively. It was mainly due to the combined effects of the increase in revenue, increase in cost of sales and services, decrease in our gross profit, decrease in other income, 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 31 March 2021, 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 31 March 2021, 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 Hong Kong 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 in 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 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*

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

Save as disclosed above, as at 31 March 2021, 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 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.

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 nine months ended 31 March 2021 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 31 March 2021, 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 were as follows:

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 (Ms. Zainal Ariffin)	30%

Note:

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

Save as disclosed above, as at 31 March 2021, 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 the paragraph headed "Share Option Scheme" in the "Report of the Directors" section of the Company's annual report 2019/2020 and Appendix IV to the prospectus of the Company dated 25 November 2019.

During the nine months ended 31 March 2021, no share option had been granted, exercised, lapsed or cancelled pursuant to the Share Option Scheme. There was no share option outstanding as at 31 March 2021.

AUDIT COMMITTEE

As at 31 March 2021, 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; to make recommendation to the Board on the appointment, re-appointment and removal of the external Auditors and to approve the remuneration and terms of engagement of the 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.

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 nine months ended 31 March 2021 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's corporate governance practices follow the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") in Appendix 15 of the GEM Listing Rules. The Company has adopted and complied with, where applicable, the CG Code during the nine months ended 31 March 2021 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 nine months ended 31 March 2021.

COMPETING INTERESTS

During the nine months ended 31 March 2021, so far as the Directors are aware, none of the Directors, controlling shareholders or 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 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 31 March 2021, 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) which is required to be notified to the Company 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 nine months ended 31 March 2021.

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, 14 May 2021

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>