



Interim Report  
2020/2021

**nomad**  
HOLDINGS LIMITED

**Nomad Technologies Holdings Limited**

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 8645

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

## FINANCIAL HIGHLIGHTS

The board of Directors of the Company (the “**Board**”) presents the unaudited condensed consolidated interim financial results of the Group for the six months ended 31 December 2020 (the “**Interim Consolidated Financial Statements**”) together with the comparative figures for the corresponding periods in 2019 as follows:

### FINANCIAL HIGHLIGHTS

	Six months ended 31 December		Change %
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)	
Revenue	18,323	19,575	(6.4)
Gross profit	5,915	8,020	(26.2)
Loss for the period	(490)	(923)	(46.9)
Profit for the period (excluding listing expenses and income tax expenses)	264	4,626	(94.3)

- The Group’s revenue for the six months ended 31 December 2020 amounted to approximately RM18.3 million, representing a decrease of approximately 6.4% as compared with that of the corresponding period in previous year.
- Gross profit for the six months ended 31 December 2020 decreased by approximately 26.2% to approximately RM5.9 million.
- Loss for the six months ended 31 December 2020 was approximately RM0.5 million and, if the Company’s 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 six months ended 31 December 2020 would be approximately RM0.3 million, representing a decrease of approximately 94.3% as compared with the corresponding period in previous year.

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

	Notes	Three months ended 31 December		Six months ended 31 December	
		2020	2019	2020	2019
		RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)
<b>Revenue</b>	4	<b>9,741</b>	9,694	<b>18,323</b>	19,575
Cost of sales and services		<b>(6,994)</b>	(5,386)	<b>(12,408)</b>	(11,555)
<b>Gross profit</b>		<b>2,747</b>	4,308	<b>5,915</b>	8,020
Other income	5	<b>158</b>	82	<b>419</b>	228
Reversal of impairment loss on trade receivables, net		<b>123</b>	78	<b>136</b>	264
Selling expenses		<b>(276)</b>	(225)	<b>(452)</b>	(478)
Administrative and other operating expenses		<b>(2,865)</b>	(2,194)	<b>(5,683)</b>	(3,222)
Listing expenses		<b>-</b>	(3,574)	<b>-</b>	(4,286)
Finance costs		<b>(39)</b>	(91)	<b>(71)</b>	(186)
<b>(Loss) profit before tax</b>	6	<b>(152)</b>	(1,616)	<b>264</b>	340
Income tax expenses	7	<b>(331)</b>	(513)	<b>(754)</b>	(1,263)
<b>Loss and total comprehensive expense for the period</b>		<b>(483)</b>	(2,129)	<b>(490)</b>	(923)
<b>(Loss) profit and total comprehensive (expenses) income for the period attributable to:</b>					
Equity holders of the Company		<b>(517)</b>	(2,129)	<b>(561)</b>	(903)
Non-controlling interests		<b>34</b>	-*	<b>71</b>	(20)
		<b>(483)</b>	(2,129)	<b>(490)</b>	(923)
<b>Loss per share attributable to equity holders of the Company</b>					
- Basic and diluted (RM cents)	9	<b>(0.09)</b>	(0.44)	<b>(0.09)</b>	(0.19)

\* Represent amount less than RM1,000

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 December 2020 RM'000 (Unaudited)	At 30 June 2020 RM'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	27,467	29,776
Deposit paid for property, plant and equipment		1,357	–
Deferred tax assets		749	1,229
		<b>29,573</b>	31,005
<b>Current assets</b>			
Inventories		3,783	3,201
Contract costs		1,302	1,107
Trade and other receivables	11	11,160	11,508
Tax recoverable		1,322	865
Pledged bank deposits		2,634	2,622
Bank balances and cash		19,080	20,305
		<b>39,281</b>	39,608
<b>Current liabilities</b>			
Trade and other payables	12	8,612	9,995
Interest-bearing borrowings and bank overdrafts		823	850
Lease liabilities		338	599
		<b>9,773</b>	11,444
<b>Net current assets</b>		<b>29,508</b>	28,164
<b>Total assets less current liabilities</b>		<b>59,081</b>	59,169

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 December 2020 RM'000 (Unaudited)	At 30 June 2020 RM'000 (Audited)
<b>Non-current liabilities</b>			
Trade and other payables	12	4,065	3,842
Interest-bearing borrowings and bank overdrafts		243	255
Lease liabilities		812	621
		<b>5,120</b>	4,718
<b>NET ASSETS</b>			
		<b>53,961</b>	54,451
<b>Capital and reserves</b>			
Share capital	13	3,191	3,191
Reserves		50,757	51,318
Equity attributable to equity holders of the Company		53,948	54,509
Non-controlling interests		13	(58)
<b>TOTAL EQUITY</b>			
		<b>53,961</b>	54,451



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2020

	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
Loss and total comprehensive expenses for the period	-	-	-	(903)	(903)	(20)	(923)
<b>Transactions with owners:</b>							
<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)
<b>Total transactions with owners</b>	<b>3,191</b>	<b>21,816</b>	<b>-</b>	<b>(1,350)</b>	<b>23,657</b>	<b>-</b>	<b>23,657</b>
At 31 December 2019 (unaudited)	3,191	46,570	(16,314)	20,676	54,123	53	54,176
<b>At 1 July 2020 (audited)</b>	<b>3,191</b>	<b>46,570</b>	<b>(16,314)</b>	<b>21,062</b>	<b>54,509</b>	<b>(58)</b>	<b>54,451</b>
(Loss) profit and total comprehensive (expenses) income for the period	-	-	-	(561)	(561)	71	(490)
<b>At 31 December 2020 (unaudited)</b>	<b>3,191</b>	<b>46,570</b>	<b>(16,314)</b>	<b>20,501</b>	<b>53,948</b>	<b>13</b>	<b>53,961</b>

\* Represent amount less than RM1,000

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2020

### 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.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 December	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited) (restated)
<b>OPERATING ACTIVITIES</b>		
Profit before tax	264	340
Adjustments for:		
Amortisation of contract costs	452	478
Depreciation of property, plant and equipment	3,808	1,936
Finance costs	71	186
Reversal of impairment loss on trade receivables, net	(136)	(264)
Interest income from bank deposits	(187)	(200)
Write-off of property, plant and equipment	-	211
Gain on disposal of property, plant and equipment	(2)	-
<b>Operating cash inflows before movements in working capital</b>	<b>4,270</b>	<b>2,687</b>
Changes in working capital:		
Trade and other receivables	484	(6,030)
Inventories	(582)	(281)
Contract costs	(647)	(219)
Trade and other payables	(1,160)	(1,436)
<b>Cash generated from/(used in) operations</b>	<b>2,365</b>	<b>(5,279)</b>
Income tax paid	(731)	(242)
<b>Net cash from/(used in) operating activities</b>	<b>1,634</b>	<b>(5,521)</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Six months ended 31 December</b>	
	<b>2020</b> <b>RM'000</b> <b>(Unaudited)</b>	2019 RM'000 (Unaudited) (restated)
<b>INVESTING ACTIVITIES</b>		
Interest received	<b>187</b>	200
Deposits paid for property, plant and equipment	<b>(1,357)</b>	(4,564)
Purchase of property, plant and equipment	<b>(1,504)</b>	(2,422)
Placement of pledged bank deposits	<b>(12)</b>	(1,000)
Proceed from disposal of property, plant and equipment	<b>7</b>	-
<b>Net cash used in investing activities</b>	<b>(2,679)</b>	(7,786)
<b>FINANCING ACTIVITIES</b>		
Interest paid	<b>(71)</b>	(186)
Dividends paid	-	(1,350)
Proceeds from issuance of shares	-	31,908
Share issue costs paid	-	(5,079)
Repayment to a director and related parties	-	(7)
Repayment of interest-bearing borrowings	<b>(11)</b>	(92)
Repayment of lease liabilities	<b>(370)</b>	(387)
New lease liabilities raised	<b>300</b>	-
<b>Net cash (used in)/from financing activities</b>	<b>(152)</b>	24,807

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 December	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited) (restated)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,197)</b>	11,500
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>19,477</b>	7,528
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>18,280</b>	19,028
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash	19,080	21,029
Bank overdrafts	(800)	(2,001)
	<b>18,280</b>	19,028

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 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 Interim 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 Interim 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 Interim 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 Interim 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 Interim 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 Interim 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 Interim 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 Interim Consolidated Financial Statements and has no material effect on the amounts reported and/or disclosures set out in the Interim 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 Interim 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 six months ended 31 December 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 six months ended 31 December 2020 and 2019.

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

At 31 December 2020 and 2019, all the Specified Non-current Assets of the Group are located in Malaysia.



## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2020

### 4. REVENUE

	Three months ended 31 December		Six months ended 31 December	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
<b>Revenue from contracts with customers within IFRS 15</b>				
Sales of hardware	1,080	1,860	1,578	2,913
Rendering of services				
– On-site installation of hardware	308	349	483	1,090
– Network management and security services	663	1,005	1,311	2,396
– Network connectivity services	6,135	4,768	11,920	10,065
	8,186	7,982	15,292	16,464
<b>Revenue from other sources</b>				
Revenue from lease of hardware under operating lease with fixed lease payments	1,555	1,712	3,031	3,111
	9,741	9,694	18,323	19,575
<b>Timing of revenue recognition</b>				
At a point in time	1,080	1,860	1,578	2,913
Over time	7,106	6,122	13,714	13,551
	8,186	7,982	15,292	16,464

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2020

### 5. OTHER INCOME

	Three months ended 31 December		Six months ended 31 December	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
Interest income from bank deposits	91	198	187	200
Foreign exchange loss, net	-	(141)	-	-
Others	67	25	232	28
	<b>158</b>	<b>82</b>	<b>419</b>	<b>228</b>

### 6. (LOSS) PROFIT BEFORE TAX

	Three months ended 31 December		Six months ended 31 December	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
<b><i>Finance costs</i></b>				
Interest on bank borrowings and bank overdrafts	20	67	39	127
Interest on lease liabilities	19	24	32	59
	<b>39</b>	<b>91</b>	<b>71</b>	<b>186</b>
<b><i>Staff costs (including directors' emoluments)</i></b>				
Salaries, discretionary bonus, allowances and other benefits in kind	1,053	1,252	2,138	2,128
Contributions to defined contribution plans	115	88	243	206
	<b>1,168</b>	<b>1,340</b>	<b>2,381</b>	<b>2,334</b>

**6. (LOSS) PROFIT BEFORE TAX (CONTINUED)**

	Three months ended 31 December		Six months ended 31 December	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
<b>Other items</b>				
Amortisation of contract costs	276	225	452	478
Cost of inventories	1,023	1,167	1,504	1,446
Depreciation of property, plant and equipment	1,868	1,050	3,808	1,936
Lease payment of premises under short-term leases	-	5	-	7

**7. INCOME TAX EXPENSES**

	Three months ended 31 December		Six months ended 31 December	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
Malaysia Corporate Income Tax ("CIT"):				
Current period	255	987	274	1,404
Deferred tax	76	(474)	480	(141)
	<b>331</b>	<b>513</b>	<b>754</b>	<b>1,263</b>

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.

**7. INCOME TAX EXPENSES (CONTINUED)**

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% (six months ended 31 December 2019: 24%) of the Group's estimated assessable profits arising from Malaysia during the six months ended 31 December 2020.

**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 six months ended 31 December 2020 and 2019.

**9. LOSS PER SHARE**

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

	Three months ended 31 December		Six months ended 31 December	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
Loss for the period attributable to equity holders of the Company, used in basic and diluted loss per share calculation	(517)	(2,129)	(561)	(903)

  

	Number of shares		Number of shares	
	2020	2019	2020	2019
Weighted average number of ordinary shares for basic and diluted loss per share calculation	600,000,000	487,500,000	600,000,000	468,750,000

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

Diluted loss per share is the same as basic loss per share as there are no dilutive potential ordinary shares in existence during the six months ended 31 December 2020 and 2019.

**10. PROPERTY, PLANT AND EQUIPMENT**

- (a) During the six months ended 31 December 2020, the Group acquired items of property, plant and equipment with a cost of approximately RM1.5 million (six months ended 31 December 2019: approximately RM2.4 million). Items of property, plant and equipment with a total carrying amount of RM4,428 (six months ended 31 December 2019: approximately RM0.2 million) were disposed or written-off during the six months ended 31 December 2020.
  
- (b) During the six months ended 31 December 2020, the Group entered into several leases for the use of 2 to 5 years with the right-of-use assets amounted to approximately RM0.3 million (six months ended 31 December 2019: approximately RM0.6 million).

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2020

11. TRADE AND OTHER RECEIVABLES

	At 31 December 2020 RM'000 (Unaudited)	At 30 June 2020 RM'000 (Audited)
<b>Billed trade receivables</b>		
– Goods and services	4,350	4,078
– Operating lease receivables	1,277	1,430
Less: Loss allowances	(106)	(348)
	<b>5,521</b>	5,160
<b>Unbilled trade receivables (Note)</b>		
– Goods and services	2,442	3,196
– Operating lease receivables	2,286	2,361
	<b>4,728</b>	5,557
<b>Total trade receivables</b>	<b>10,249</b>	10,717
Other receivables	366	208
Refundable deposits	88	89
Prepayments	457	494
	<b>11,160</b>	11,508

Note: Unbilled trade receivables represent the remaining balances of receivables for services rendered but not yet billed at the end of reporting period.

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2020

### 11. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group normally grants credit period of 30 days, from the date of issuance of invoices, to its customers.

The ageing analysis of trade receivables, net of loss allowances, based on invoice date at the end of the reporting period is as follows:

	At 31 December 2020 RM'000 (Unaudited)	At 30 June 2020 RM'000 (Audited)
Within 30 days	2,208	2,133
31 to 60 days	1,627	1,516
61 to 90 days	747	622
Over 90 days	939	889
	5,521	5,160
Not yet billed	4,728	5,557
	10,249	10,717

At the end of the reporting period, the ageing analysis of the trade receivables, net of loss allowances, by due date is as follows:

	At 31 December 2020 RM'000 (Unaudited)	At 30 June 2020 RM'000 (Audited)
Not yet due	6,936	7,690
Past due:		
Within 30 days	1,627	1,516
31 to 60 days	747	622
61 to 90 days	404	802
Over 90 days	535	87
	3,313	3,027
	10,249	10,717



NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2020

12. TRADE AND OTHER PAYABLES

	At 31 December 2020 RM'000 (Unaudited)	At 30 June 2020 RM'000 (Audited)
<b>Trade payables to third parties</b>	<b>1,762</b>	4,185
<b>Contract liabilities</b>	<b>9,155</b>	7,787
<b>Other payables</b>		
Other payable	976	688
Accrued expenses	638	1,081
Sales and services tax payable	146	96
	<b>1,760</b>	1,865
	<b>12,677</b>	13,837
Current	<b>8,612</b>	9,995
Non-current	<b>4,065</b>	3,842
	<b>12,677</b>	13,837

The trade payables are interest-free and with normal credit terms ranging from 30 to 60 days.

At the end of the reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	At 31 December 2020 RM (Unaudited)	At 30 June 2020 RM (Audited)
0 to 30 days	1,080	4,078
31 to 60 days	306	88
61 to 90 days	286	-
Over 90 days	90	19
	<b>1,762</b>	4,185

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2020

### 13. SHARE CAPITAL

	Number of shares	HK\$	Equivalent to RM'000
Ordinary share of HK\$0.01 each			
Authorised:			
At 30 June 2020 (audited) and 31 December 2020 (unaudited)	10,000,000,000	100,000,000	55,220
Issued and fully paid:			
At 30 June 2020 (audited) and 31 December 2020 (unaudited)	600,000,000	6,000,000	3,191

## 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 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 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 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.

On the pandemic front, the Malaysian Government has received international recognition for its efforts regarding testing, contact tracing, quarantine, and treatment, 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 26 January 2021, this was further extended to 4 February 2021. As at the date of this report, the Malaysia Government has extended the MCO to 18 February 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 creative 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 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 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**").

## PRINCIPAL RISKS AND UNCERTAINTIES

The Group is susceptible to material risks associated with the Group's business, including but not limited to the following:

The Board acknowledges its responsibilities for the establishment and maintenance of adequate and effective risk management and internal control systems to safeguard the Group's assets against unauthorized use or disposition, and to protect the interests of the Shareholders. Such systems are designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Board is the highest level of our risk management and internal control structure. It is ultimately responsible for establishing an effective risk management environment. Its responsibilities include:

- developing the overall risk management targets, risk management policies and internal control systems;
- optimizing the governance structure and authorization hierarchy;
- guiding and defining the limits for specific risk management work; and
- authorizing responsibilities to other departments.

Based on the risk assessments conducted, the details of significant risks and the relevant risk responses are highlighted as follow:

### Risk

Categories	Risk Title	Risk Description	Risk Response
Strategic	Failure to anticipate and respond to changes in technologies or needs could adversely affect the Group's business	This is a high-level and corporate-wide risk, which include market risk and the threat of substitutes	The changes in technologies or needs is not controllable. The Group can only closely monitor the technical advancements to mitigate the risks at the current stage. The Group also established new sources of income during the year, including the provision of Secure Cloud Service and Data Content Management Hub to diversify the concentration risk of the traditional network support services.

**Risk**

<b>Risk Categories</b>	<b>Risk Title</b>	<b>Risk Description</b>	<b>Risk Response</b>
Operational	Dependent on major customers for a significant portion of our business and the loss of any of such customers could materially and adversely affect our business and financial position	A possible source of loss that might arise from the loss of key customers	The Group introduced various marketing activities to attract potential and existing customers. The goal of this promotion strategy in marketing is to increase market awareness and to establish long-term relationship with the customers. The Group had developed new services such as Secure Cloud Service and Data Content Management Hub to attract more business from current and new customers.
	The Group business comprises contracts and we may be unable to secure new contracts	A possible source of loss that might arise from the inability to secure new contracts	To attract new contracts, the Group broadened its product and services offerings, introduced various marketing activities, and provided customized solutions to the customers.
	The Group is exposed to payment delays and/or defaults by our customers	Payment delays and/or defaults may lead to liquidity issues in the Group's working capital	The Group generally do not provide a long credit period to new customers unless they are multi-national enterprises with good reputation. In some instances, the Group may also require customers to provide a personal guarantee for such credit limit. To collect overdue trade receivables, the Group monitors overdue payments closely.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Risk

Categories	Risk Title	Risk Description	Risk Response
Financial	The capital expenditure of our Group for the purchase of hardware may result in an increase in our depreciation expenses	Additional depreciation expenses may adversely affect our financial performance in the future	The Group will also consider to lease the equipment if lease is more beneficial than purchase.

The Board has periodically reviewed the key risk areas and the appropriate risk mitigation strategies. Overall, the Board considers the risk management and internal control systems of the Group are effective and adequate. The Board will continue to assess the effectiveness and adequacy of risk management and internal control systems.

For a more comprehensive list of risk factors and explanations, please refer to the section headed “Risk Factors” in the prospectus of the Company dated 25 November 2019 (the “**Prospectus**”).

Further descriptions of the Group’s financial risk (including interest rate risk, foreign currency risk, credit risk, and liquidity risk), management objectives and policies are set out in Note 32 to the consolidated financial statements of the Company’s annual report 2019/2020.

There are no material difference in the identified risks between those disclosed in the Prospectus and in this report. An analysis of the Group’s performance during the six months ended 31 December 2020 using financial key performance indicators is set out in the paragraphs headed “Financial Review” and “Liquidity and Financial Resources” in this section.



Particulars of the significant events of the Group after the end of reporting period and up to the date of this report have been summarised in the paragraph headed “Events after the Reporting Period” in this section.

## 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 decreased by approximately RM1.3 million or 6.6% from approximately RM19.6 million for the six months ended 31 December 2019 to approximately RM18.3 million for the six months ended 31 December 2020. Such decrease was mainly attributable to the approximately 32.6% decrease in revenue from network support services offset by approximately 17.8% increase in network connectivity services during the period.

The decrease in revenue from network support services was mainly attributable to the adverse impact of the COVID-19 which resulted in (i) the decrease in on-site installation of hardware of approximately RM0.6 million or 54.5% from approximately RM1.1 million for the six months ended 31 December 2019 to approximately RM0.5 million for the six months ended 31 December 2020 and (ii) decrease in network management and security services of approximately RM1.1 million or 45.8% from approximately RM2.4 million for the six months ended 31 December 2019 to approximately RM1.3 million for the six months ended 31 December 2020, and (iii) the decrease in revenue from sales of hardware and lease of hardware of approximately RM1.4 million or 23.3% from approximately RM6.0 million for the six months ended 31 December 2019 to approximately RM4.6 million for the six months ended 31 December 2020.

Revenue generated from network connectivity services increased by approximately RM1.8 million or 17.8% from approximately RM10.1 million for the six months ended 31 December 2019 to approximately RM11.9 million for the six months ended 31 December 2020. The increase was mainly attributable to the increase in 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 increased by approximately RM0.8 million or 6.9% from approximately RM11.6 million for the six months ended 31 December 2019 to approximately RM12.4 million for the six months ended 31 December 2020, which was mainly attributable to the net effect of (i) increase in cost of telecommunication and network subscription of approximately RM0.8 million and (ii) increase in cost of network equipment and hardware of approximately RM0.1 million.

### *Other income*

Our other income increased by approximately RM0.2 million or 100.0% from approximately RM0.2 million for the six months ended 31 December 2019 to approximately RM0.4 million for the six months ended 31 December 2020. Such increase was primarily due to the 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.

### *Selling expenses*

Our selling expenses mainly represented commission paid to our sales representative for securing contracts with new and existing customers. Such cost remained stable at approximately RM0.5 million for the six months ended 31 December 2020 and 2019.

### *Administrative and other operating expenses*

Our administrative and other operating expenses increased by approximately RM2.5 million or 78.1% from approximately RM3.2 million for the six months ended 31 December 2019 to approximately RM5.7 million for the six months ended 31 December 2020. The increase was primarily due to (i) increase in depreciation of property, plant and equipment from approximately RM0.4 million for the six months ended 31 December 2019 to approximately RM2.3 million for the six months ended 31 December 2020 and (ii) the increase in the amount of recognition of unrealised net foreign exchange loss from approximately RM0.5 million for the six months ended 31 December 2019 to approximately RM0.9 million for the six months ended 31 December 2020.

### *Finance costs*

Our finance costs decreased by approximately RM0.1 million or 50.0% from approximately RM0.2 million for the six months ended 31 December 2019 to approximately RM0.1 million for the six months ended 31 December 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 approximately RM0.5 million or 38.5% from approximately RM1.3 million for the six months ended 31 December 2019 to approximately RM0.8 million for the six months ended 31 December 2020. It was mainly attributable to the decrease of income tax expenses of approximately RM0.5 million due to decrease of our assessable profits during the six months ended 31 December 2020.

### *Loss and total comprehensive expense for the period*

Our loss and total comprehensive expenses decreased by approximately RM0.4 million or 44.4% from approximately RM0.9 million for the six months ended 31 December 2019 to approximately RM0.5 million for the six months ended 31 December 2020. It was mainly due to the combined effects of the decrease in revenue, increase in cost of sales and services, decrease in our gross profit, and the increase in administrative and other operating expenses as analysed above.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group has funded its liquidity and capital requirements primarily through capital contributions from shareholders, interest-bearing borrowings, internally generated cash flow and proceeds received from the Share Offer.

As at 31 December 2020, the Group had bank balances and cash of approximately RM19.1 million (30 June 2020: approximately RM20.3 million) and pledged bank deposits of approximately RM2.6 million (30 June 2020: approximately RM2.6 million).

As at 31 December 2020, the Group recorded interest-bearing borrowings and bank overdrafts of approximately RM1.1 million (30 June 2020: approximately RM1.1 million) and lease liabilities of approximately RM1.2 million (30 June 2020: approximately RM1.2 million).

As at 31 December 2020, the Group's current assets and current liabilities were approximately RM39.3 million (30 June 2020: approximately RM39.6 million) and approximately RM9.8 million (30 June 2020: approximately RM11.4 million), respectively. As at 31 December 2020, the current ratio, being the ratio of current assets to current liabilities, was approximately 4.0 times (30 June 2020: approximately 3.5 times).

As at 31 December 2020, we had unutilised banking facilities for short term financing of approximately RM4.8 million (six months ended 31 December 2019: approximately RM1.8 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

The gearing ratio is calculated based on the amount of total interest-bearing borrowings, bank overdrafts and lease liabilities divided by total equity. The gearing ratio of the Group as at 31 December 2020 was approximately 4.1% (30 June 2020: approximately 4.3%). The decrease in gearing ratio was mainly attributable to the decrease in total interest-bearing borrowings, bank overdrafts and lease liabilities.

### CAPITAL STRUCTURE

The Shares were listed on the 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 December 2020, the capital structure of the Company comprised mainly of issued share capital and reserves. As at 31 December 2020, equity attributable to equity holders of the Company amounted to approximately RM53.9 million (30 June 2020: approximately RM54.5 million).

### TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and had maintained a healthy liquidity position throughout the reporting period. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

### FOREIGN EXCHANGE EXPOSURE

The Group's revenue, costs, assets and liabilities are primarily denominated in Ringgit Malaysia ("RM"). The Group currently does not have a foreign currency hedging policy. However, the Directors will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have any significant contingent liabilities (30 June 2020: Nil).

### EVENTS AFTER THE REPORTING PERIOD

Since January 2020, the outbreak of the COVID-19 has brought certain adverse impacts on the business operation and overall economy on the business environment. The Federal Government of Malaysia officially promulgated the "Movement Control Order". To a certain extent, the Order may affect the negotiation of new projects with existing customers and the seeking out of new customers due to operation suspension.

Despite the challenges, the Federal Government of Malaysia has implemented a series of measures to contain the epidemic. The Group will stay alert to the development and situation of the COVID-19, continue to assess its impacts on the financial position and operating results of the Group, and take necessary action to maintain stability of the businesses. Up to the date of approving the consolidated financial statement, the assessment of financial impact on the COVID-19 is still in progress.

## PLEDGE OF ASSETS

As at 31 December 2020, the Group's interest-bearing borrowings and lease liabilities are secured by charges over the following assets of the Group:

	At 31 December 2020 RM (Unaudited)	At 30 June 2020 RM (Audited)
Motor vehicles and internet services equipment	518	914
Pledged bank deposits	2,634	2,622
	<b>3,152</b>	<b>3,536</b>

## DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 31 December 2020.

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.

Save as disclosed above, no other dividend has been declared nor paid by the Group for the six months ended 31 December 2020 and 2019.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed "Future Plans and Use of Proceeds" of the Prospectus and the paragraph headed "Use of Proceeds from the Share Offer" in this section, the Company did not have other future plans for material investments and capital assets as at 31 December 2020.

## MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES AND SIGNIFICANT INVESTMENTS

There was no material acquisition or disposal of subsidiaries and affiliated companies and significant investments by the Group during the six months ended 31 December 2020.

## CAPITAL COMMITMENTS

As at 31 December 2020, the Group did not have any material capital commitment (30 June 2020: approximately RM0.2 million).

## USE OF PROCEEDS FROM THE SHARE OFFER

The Shares were listed on GEM of the Stock Exchange on 9 December 2019. The proceeds received from the issuance of 150 million ordinary shares (the “**Offer Shares**”) by Share Offer at HK\$0.40 per offer share was HK\$60.0 million. The net proceeds (after deduction of underwriting fees and related listing expenses) were approximately HK\$28.0 million (the “**Net Proceeds**”). As set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus, the Company intends to use the Net Proceeds from the Share Offer for the following purposes:

### Approximate amount of net proceeds

### Business strategies

HK\$4.6 million or 16.4%	Implementing cloud-based data content management solution
HK\$11.0 million or 39.3%	Acquiring additional hardware and software to provide cloud-based internet security services
HK\$6.3 million or 22.5%	Establishing a disaster recovery centre and becoming a holder of network service provider licence
HK\$1.4 million or 5.0%	Establishing a branch office and a backup data centre in Kuala Lumpur
HK\$2.7 million or 9.6%	Expanding and strengthening our manpower to cater for the anticipated expansion plans
HK\$2.0 million or 7.2%	Promoting our business to capture more market share in the industry

An analysis of the utilization of the net proceeds up to 31 December 2020 is set out below:

<b>Business Strategies</b>	<b>Planned use of the net proceeds up to 31 December 2020</b> HK\$'000	<b>Actual amount utilised as at 31 December 2020</b> HK\$'000	<b>Unutilised net proceeds up to 31 December 2020</b> HK\$'000
Implement cloud-based data content management solution	4,615	4,250	365
Acquire additional hardware and software to provide cloud-based internet security services	11,012	11,012	–
Establish a disaster recovery centre and a backup data centre and becoming a holder of network service provider license	6,267	4,678	1,589
Establish a branch office in Kuala Lumpur	943	320	623
Expand and strengthening our manpower to cater for the anticipated expansion plans	1,270	961	309
Promote our business to capture more market share in the industry	1,246	245	1,001
	25,353	21,466	3,887

## MANAGEMENT DISCUSSION AND ANALYSIS

The Directors will continuously examine the Group's business objectives and may change or modify the plans against the changing market conditions to pursuit business growth of the Group.

The net proceeds were not fully utilised up to 31 December 2020 as previously disclosed in the Prospectus because of the reasons elaborated below:

1. As for the implementation of cloud-based data content management solution, the unutilised portion amounted to approximately HK\$365,000 as at 31 December 2020 was due to lower-than-expected hardware and software maintenance cost, the Group plan to use the unutilized portion for maintenance cost in FY2021;
2. As for the establishment of a disaster recovery centre and a backup data centre and becoming a holder of network service provider license, the unutilised portion amounted to approximately HK\$1,589,000 as at 31 December 2020. Due to the outbreak of the COVID-19, the Group's plan to purchase data centre space facilities of backup data centre has been delayed;
3. As for the establishment of a branch office in Kuala Lumpur, the unutilised portion amounted to approximately HK\$623,000 as at 31 December 2020 was due to lower-than-expected office rent for the branch office in Kuala Lumpur, the Group plans to use the unutilized portion to rent the branch office in Kuala Lumpur in FY2021;
4. As for expanding and strengthening manpower to cater for the anticipated expansion plans, the unutilised portion amounted to approximately HK\$309,000 as at 31 December 2020 as the Company is still recruiting a suitable candidate with the right skills and experience for the position of compliance manager;
5. As for promoting our business to capture more market share in the industry, the unutilised portion amounted to approximately HK\$1,001,000 as at 31 December 2020 as the outbreak of the COVID-19 led to the cancellation of marketing campaigns that were scheduled to roll out in the year.

As at 31 December 2020, the net proceeds of approximately HK\$3.9 million had not yet been utilised as planned, but is expected to be utilised during the financial years ending 30 June 2021 and 2022. The Group will continue to apply the net proceeds from the listing in the same manner as specified in the section headed "Future Plans and Use of Proceeds" set out in the Prospectus.



All the unutilised net proceeds have been placed in licensed banks in Hong Kong and Malaysia.

## COMPARISON BETWEEN BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS

The future plan and the planned amount of usage of Net Proceeds as stated in the “Future Plans and Use of Proceeds” were based on the best estimation and assumption of future market conditions at the time of preparing the Prospectus of the Company dated 25 November 2019 while the proceeds were applied based on the actual development of the Group’s business and the industry. An analysis comparing the business strategies stated in the Prospectus with the Group’s actual business progress is set out below:

<b>Business strategies</b>	<b>Actual business progress up to 31 December 2020</b>
Implementing cloud-based data content management solution	Partly utilized for implementing the cloud-based data content management solution and the remaining will be utilized for hardware and software maintenance during FY2021.
Acquiring additional hardware and software to provide cloud-based internet security services	Utilized for implementing cloud-based internet security services and for hardware and software maintenance.
Establishing a disaster recovery centre and becoming a holder of network service provider licence	Partly utilized for purchasing the hardware and software required for establishing disaster recovery centre as a result of delay due to the outbreak of the COVID-19, the remaining amount for purchasing and maintaining data centre space facilities and backup data centre will be utilized in FY2021 and FY2022.
Establishing a branch office and a backup data centre in Kuala Lumpur	Partly utilized for paying the rental of the new branch office since Feb 2020, the remaining amount will be utilized for paying the rental of the new branch office in FY2021.

Business strategies	Actual business progress up to 31 December 2020
Expanding and strengthening our manpower to cater for the anticipated expansion plans	Partly utilized for recruiting two IT specialist engineers, one service delivery manager and two senior sales executive in FY2020, the remaining amount will be used for recruiting a compliance manager in FY2021.
Promoting our business to capture more market share in the industry	Partly utilized for expanding and exploring more effective online marketing strategies via LinkedIn, Facebook and Google ad and by redesigning the Company’s website, the remaining amount will be used to conduct market campaigns for promotion and building up brand awareness in FY2021 and FY2022.

**EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2020, the Group had a total of 47 employees (as at 31 December 2019: 51 employees). The staff costs (included Directors’ emoluments) were approximately RM2.4 million for the six months ended 31 December 2020 (six months ended 31 December 2019: approximately RM2.3 million). The remuneration package of the employees is determined by various factors such as their qualifications, working experience and job performance, the market condition, industry practice and applicable employment law. Discretionary bonus based on job performance will be paid to employees as recognition of and reward for their contributions.

To provide incentive to the eligible participants (including Directors and employees), the remuneration package has been extended to include share options under the Share Option Scheme. Details of the said Share Option Scheme are set out in the paragraph headed “Share Option Scheme” in the “Other Information” section of this report.

The Group encourages and subsidizes employees to enrol and/or participate in development or training courses in support of their career and professional development. The Group also provides inhouse training courses for the personal development of the employees.

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

As at 31 December 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 in which they are taken or deemed to have under such provision of the SFO) 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:

- The letter “L” demonstrates long position.
- 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.
- 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.

## OTHER INFORMATION

### (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 December 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 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 provisions of the SFO), or which will be required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which will be required to notify 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 six months ended 31 December 2020 were rights to acquire benefits by means of the acquisition of shares or underlying 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 December 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 were as follows:

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

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

## OTHER INFORMATION

### Notes:

1. The letter “L” demonstrates long position.
2. 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.
3. 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 purposes of the SFO.
4. 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.
5. 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.
6. 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

<b>Name of member of the Group</b>	<b>Name of shareholder</b>	<b>Approximate percentage of shareholding</b>
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 31 December 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 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.

During the six months ended 31 December 2020, 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 December 2020.

## AUDIT COMMITTEE

As at 31 December 2020, the audit committee of the Company (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.

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 interim financial results of the Group for the six months ended 31 December 2020 and this report and is of the opinion that the preparation of such statements complied 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 six months ended 31 December 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 six months ended 31 December 2020.



### COMPETING INTERESTS

During the six months ended 31 December 2020, 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 December 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) which is required to be notified to the Company pursuant to Rules 6A.32 of the GEM Listing Rules.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2020.

### FORWARD LOOKING STATEMENTS

This interim 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, 8 February 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>*