



Nomad Technologies Holdings Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 8645

First Quarterly Report 2021/2022



2021/2022
First Quarterly Report



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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. Yu Decai (*Appointed on 21 July 2021*)
Mr. Saw Zhe Wei (*Resigned on 21 July 2021*)

Independent Non-executive Directors

Mr. Chen Youchun (*Appointed on 5 July 2021*)
Mr. Lim Peng Chuan Terence
Mr. Phua Cheng Sye Charles
Mr. Yau Yeung On (*Resigned on 5 July 2021*)

AUDIT COMMITTEE

Mr. Lim Peng Chuan Terence (*Chairman*)
Mr. Chen Youchun (*Appointed on 5 July 2021*)
Mr. Phua Cheng Sye Charles
Mr. Yau Yeung On (*Resigned on 5 July 2021*)

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

Mr. Chen Youchun (*Chairman*)
(*Appointed on 5 July 2021*)
Mr. Lim Peng Chuan Terence
Dato' Eric Tan Chwee Kuang
Mr. Yau Yeung On (*Chairman*)
(*Resigned on 5 July 2021*)

COMPANY SECRETARY

Ms. Wong Po Lam (CPA)

AUTHORISED REPRESENTATIVES

Ms. Wong Po Lam (CPA)
Dato' Eric Tan Chwee Kuang

COMPLIANCE OFFICER

Dato' Eric Tan Chwee Kuang

COMPLIANCE ADVISER

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

HONG KONG LEGAL ADVISER

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

AUDITOR

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

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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, 13/F, 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

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17/F, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong
(*Appointed on 28 July 2021*)

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong
(*Resigned on 28 July 2021*)

STOCK CODE

8645

WEBSITE OF THE COMPANY

www.nomad-holdings.com

FINANCIAL HIGHLIGHTS

- The Group's revenue for the three months ended 30 September 2021 amounted to approximately RM8.3 million, representing a decrease of approximately 3.5% as compared with that of the corresponding period in the previous year.
- Gross profit for the three months ended 30 September 2021 decreased by approximately 25.0% to approximately RM2.4 million.
- Loss per share of the Company for the three months ended 30 September 2021 was approximately RM0.11 cents (three months ended 30 September 2020: approximately RM0.01 cents).
- The Directors do not recommend the payment of any dividend for the three months ended 30 September 2021 (three months ended 30 September 2020: Nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Three months ended 30 September	
		2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
Revenue	4	8,333	8,582
Cost of sales and services		(5,919)	(5,414)
Gross profit		2,414	3,168
Other income	5	24	261
Other gain and losses	6	88	(359)
Selling expenses		(210)	(176)
Administrative and other operating expenses		(3,266)	(2,446)
Finance costs	7	(22)	(32)
(Loss) Profit before tax	7	(972)	416
Income tax expenses	8	(25)	(423)
Loss for the period		(997)	(7)
Other comprehensive income		-	-
Total comprehensive expenses for the period		(997)	(7)
(Loss) Profit for the period and total comprehensive (expenses) income for the period attributable to:			
Equity holders of the Company		(676)	(44)
Non-controlling interests		(321)	37
		(997)	(7)
Loss per share attributable to equity holders of the Company			
Basic and diluted (RM cents)	9	(0.11)	(0.01)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2021

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2021

	Attributable to equity holders of the Company							
	Share capital RM'000	Share premium RM'000 <i>(Note a)</i>	Merger reserve RM'000 <i>(Note b)</i>	Reserves		Total RM'000	Non-controlling interests RM'000	Total equity RM'000
				Accumulated profits/(losses) RM'000				
At 1 July 2021 (audited)	3,191	46,570	(16,314)	18,460	51,907	220	52,127	
Loss for the period and total comprehensive expenses for the period	-	-	-	(676)	(676)	(321)	(997)	
At 30 September 2021 (unaudited)	3,191	46,570	(16,314)	17,784	51,231	(101)	51,130	

Notes:

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2021

1. GENERAL INFORMATION

Nomad Technologies Holdings Limited (“**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 of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 9 December 2019.

The Company is an investment holding company. The Company together with its subsidiaries (hereinafter collectively referred to as “**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 Unaudited Condensed Consolidated Financial Statements have been 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 and the disclosure requirements of the Hong Kong Companies Ordinance. The Unaudited Condensed Consolidated Financial Statements also comply with the applicable disclosure requirements of the Rule Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”).

The Unaudited Condensed Consolidated Financial Statements are presented in Malaysian Ringgit (“**RM**”), and all amounts have been rounded to the nearest thousand (“**RM’000**”), unless otherwise indicated.

The preparation of the Unaudited Condensed 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.

2. BASIS OF PREPARATION (CONTINUED)

The Unaudited Condensed 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 2021 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 2021 included in the annual report of the Company dated 24 September 2021 (the “**Annual Report 2020/2021**”).

The Unaudited Condensed 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 Unaudited Condensed Consolidated Financial Statements are consistent with the Annual Report 2020/2021.

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 Unaudited Condensed Consolidated Financial Statements.

Amendments to IASs 1 and 8	Definition of Material
Amendments to IAS 39, IFRSs 7 and 9	Interest Rate Benchmark Reform – Phase 1
Amendments to IFRS 3	Definition of Business
Amendments to IFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021

The new/revised IFRSs does not have any material effect on the amounts reported and/or disclosures set out in the Unaudited Condensed 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 Unaudited Condensed Consolidated Financial Statements have not been audited by the Company’s independent auditor but have been reviewed by the audit committee of the Board (the “**Audit Committee**”) and were approved for issue by the Board.

3. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on network support services and network connectivity services in Malaysia during the three months ended 30 September 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 the Group's revenue from external customers.

Revenue from external customers

All the Group's revenue from external customers is derived from Malaysia for the three months ended 30 September 2021 and 2020.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2021

4. REVENUE

	Three months ended 30 September	
	2021 RM'000 (unaudited)	2020 RM'000 (unaudited)
Revenue from contracts with customers within IFRS 15		
Sales of hardware	581	498
Rendering of services		
– On-site installation of hardware	289	175
– Network management and security services	581	648
– Network connectivity services	5,753	5,785
	7,204	7,106
Revenue from other sources		
Revenue from lease of hardware under operating lease with fixed lease payments	1,129	1,476
	8,333	8,582
Timing of revenue recognition under IFRS 15		
At a point in time	581	498
Over time	6,623	6,608
	7,204	7,106

5. OTHER INCOME

	Three months ended 30 September	
	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
Interest income from bank deposits	21	96
Government subsidies (Note)	–*	57
Others	3	108
	24	261

* Represent amount less than RM1,000

Note: In the opinion of the management of the Group, there was no unfulfilled condition or contingency relating to the government subsidies.

6. OTHER GAIN AND LOSSES

	Three months ended 30 September	
	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
Reversal of impairment loss on trade receivables, net	37	13
Foreign exchange (loss) gain, net	51	(372)
	88	(359)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2021

7. (LOSS) PROFIT BEFORE TAX

This is stated after charging:

	Three months ended 30 September	
	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
<i>Finance costs</i>		
Interest expenses on interest-bearing borrowings and bank overdrafts	10	19
Interest expenses on lease liabilities	12	13
	22	32
<i>Staff costs (including Directors' emoluments)</i>		
Salaries, discretionary bonus, allowances and other benefits in kind	1,464	1,085
Contributions to defined contribution plans	180	128
	1,644	1,213
<i>Other items</i>		
Amortisation of contract costs	210	176
Cost of inventories	388	480
Depreciation of property, plant and equipment	1,931	1,940

8. INCOME TAX EXPENSES

	Three months ended 30 September	
	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
Current tax		
Malaysia Corporate Income Tax ("CIT"):		
Current period	142	19
Deferred tax		
Change in temporary differences	(117)	404
Total income tax expenses for the period	25	423

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

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

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

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

Malaysia CIT is calculated at the rate of 24% of the Group's estimated assessable profits arising from Malaysia during the three months ended 30 September 2021 and 2020.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2021

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 30 September	
	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
Loss for the period attributable to equity holders of the Company, used in basic and diluted loss per share calculation	(676)	(44)
	Number of shares	
	2021	2020
Weighted average number of ordinary shares for basic and diluted loss per share calculation	600,000,000	600,000,000

Diluted loss per share is the same as basic loss per share as there are no dilutive potential ordinary shares in existence during the three months ended 30 September 2021 and 2020.

10. DIVIDENDS

The Directors do not recommend the payment of any dividend for the three months ended 30 September 2021 (three months ended 30 September 2020: Nil).



11. SIGNIFICANT TRANSACTION

Acquisition of a subsidiary

On 26 July 2021, Goodway Max Limited, a wholly-owned subsidiary of the Company, had acquired from an independent third party the entire equity interests in China Mebugs Technology Holding Limited (“**China Mebugs**”) at a consideration of HK\$8,000 (the “**Acquisition**”) which was funded by internal resources of the Group. China Mebugs had become a wholly-owned subsidiary of the Group and its financial results had been consolidated into the Unaudited Condensed Consolidated Financial Statements. For further details of the Acquisition, please refer to the announcement of the Company dated 26 July 2021.

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 (the “**Shares**”) were successfully listed on GEM of the Stock Exchange on 9 December 2019, 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”

On 11 March 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic. The emergence of the COVID-19 pandemic has become one of the biggest disruptors in the global economy, creating uncertainty and placing global economic and social resilience to the test. The COVID-19 pandemic has resulted in, among other things, ongoing travel and transportation restrictions, prolonged closures of workplaces, businesses and schools, lockdowns in certain countries and increased volatility in international capital markets.

A prolonged COVID-19 pandemic is likely to affect our results of operations in the mid to long-term. To control the spread of the COVID-19, the Malaysia Government has implemented and continues to implement countermeasures such as lockdowns, quarantines, travel restrictions and business shutdowns, resulting in sometimes significant slow-downs of business activities and operations. The negative impact of the deteriorating COVID-19 pandemic on local economies and financial markets, coupled with political uncertainty in Malaysia, has led to a material adverse impact on economic activity in general and on consumer confidence and levels of household income in Malaysia.

The challenges are expected to persist in the near term due to the cascading effect of the COVID-19 pandemic on the wider economy. Nevertheless, it is hopeful that recovery will be forthcoming due to the uptick in vaccination rates and reopening of affected economic sectors, particularly for small and medium enterprises (“**SME**”). Notwithstanding, the Group will continue to monitor conditions to ensure the sustainability of its operational and business performance. The Group’s top priority remains maintaining network availability and stability alongside continued vigilance on the health and safety of employees and stakeholders. In addition, the Group will also continue to provide high quality, meaningful solutions across all segments in tandem with strengthening the Group’s strategic position.

In addition, the Group is conscious of the importance of its network connectivity when movements are restricted and people are separated. COVID-19 presented a multitude of opportunities as it expedited the digitalisation agenda. The imposition of lockdowns, accompanied by the increased necessity for social distancing, work from home and online learning, resulted in a widespread adoption of digital communication platforms across all customer groups nationwide. This led to increased demand for Internet connectivity and higher bandwidth as businesses and customers transitioned to online and virtual channels to adapt to the new normal. Consumers and businesses, most notably SME, swiftly transitioned to online activities to supplement their conventional business models. This shift is expected to have a measure of permanence moving forward.

Nevertheless, the standard operating procedure (“SOP”) requirements such as social distancing, reduced manpower, regular disinfection and staggered working hours initially caused disruption to operational productivity. Notably, works related to installations, upgrading and assurance were impacted.

However, the Group adapted to the new requirements quickly to ensure that disruptions and impact to overall productivity were kept to a minimum. As the Group works towards safeguarding the health and well-being of its people and customers, it will continue to strengthen and improve its network infrastructure to ensure its customers are kept connected at all times.

PROSPECT

The Group foresees that there will be challenges in the years ahead due to economic uncertainties that affect many markets at the moment. It is difficult to predict how long such conditions will exist and the extent to which we may be affected by such conditions. However, 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 intends to explore markets outside Malaysia and expand its current business of rendering of network support services and network connectivity services into markets in Hong Kong and the People’s Republic of China. In July 2021, the Group has acquired the entire equity interests in China Mebugs which together with its wholly-owned subsidiary, 米虫科技信息（深圳）有限公司 (Mebugs Technology Information (Shenzhen) Co., Limited*) (“**Mebugs (Shenzhen)**”), were incorporated in June 2021 with authorities to carry on the businesses of providing IT services, cloud security, cloud as a service, network security and internet security management. The Group believes that such acquisition will be able to broaden its source of income, facilitate its business growth according to the market conditions with an aim to enhance its financial performance and returns to the Shareholders in the long run. In September 2021, Mebugs (Shenzhen)

and 杭州超級科技有限公司 (Hangzhou Super Technologies Co., Limited*) entered into a strategic cooperation agreement, for a term from 1 October 2021 to 31 December 2024, to establish a comprehensive and in-depth strategic partnership in the field of providing internet solutions and products based on cloud computing and blockchain technology for companies which have higher demand for servers and information security. It is expected that the cooperation will bring significant business opportunities to the Group's business expansion in the field on other information technology related businesses, including but not limited to internet security protection business and high-defense server leasing business.

Looking forward, the Group is committed to implement cautious approach on the development of the existing businesses and seek for better business opportunities to mitigate the adverse impacts of the market's current volatility and to improve the performance of the Group in order to safeguard the interest of the Shareholders.

* for identification purpose only

FINANCIAL REVIEW

Revenue

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

Our revenue decreased by approximately RM0.3 million or 3.5% from approximately RM8.6 million for the three months ended 30 September 2020 to approximately RM8.3 million for the three months ended 30 September 2021. Such decrease was mainly attributable to the approximately 7.1% decrease in revenue generated from network support services during the period.

The decrease in revenue generated from network support services was mainly attributable to the decrease in revenue generated from sales of hardware and lease of hardware of approximately RM0.3 million or 15.0% from approximately RM2.0 million for the three months ended 30 September 2020 to approximately RM1.7 million for the three months ended 30 September 2021, primarily due to the outbreak of the COVID-19 pandemic.

The revenue generated from network connectivity services remained comparable at approximately RM5.8 million for the three months ended 30 September 2021 and 2020.



Cost of sales and services

Our cost of sales and services increased by approximately RM0.5 million or 9.3% from approximately RM5.4 million for the three months ended 30 September 2020 to approximately RM5.9 million for the three months ended 30 September 2021, which was mainly attributable to the net effect of (i) increase in cost of telecommunication and network subscription of approximately RM0.7 million offset by (ii) decrease in depreciation of property, plant and equipment of approximately RM0.2 million.

Other income

Our other income decreased by approximately RM0.3 million or 100% from approximately RM0.3 million for the three months ended 30 September 2020 to approximately RM24,000 for the three months ended 30 September 2021, which was mainly attributable to (i) decrease in receipt of interest income from bank deposits of approximately RM0.1 million, (ii) decrease in receipt of Wage Subsidy from the Federal Government of Malaysia under an economic stimulus package announced on 27 March 2020 of approximately RM0.1 million and (iii) decrease in refund receipts from the Human Resources Development Fund (“HRDF”) and vendor of approximately RM0.1 million.

Other gain and losses

Our other gain, net was approximately RM0.1 million for the three months ended 30 September 2021, as compared to other losses, net of approximately RM0.4 million for the three months ended 30 September 2020. The increase of other net gain was mainly due to (i) reversal of impairment loss on trade receivables of approximately RM24,000 and (ii) recognition of net foreign exchange gain of approximately RM51,000 for the three months ended 30 September 2021 (three months ended 30 September 2020: net foreign exchange loss of approximately RM0.4 million).

Selling expenses

Our selling expenses represented commission paid to our sales representatives for securing contracts with new and existing customers. Such cost remained comparable at approximately RM0.2 million for the three months ended 30 September 2021 and 2020.

Administrative and other operating expenses

Our administrative and other operating expenses increased by approximately RM0.9 million or 37.5% from approximately RM2.4 million for the three months ended 30 September 2020 to approximately RM3.3 million for the three months ended 30 September 2021. The increase was primarily due to (i) increase in depreciation of property, plant and equipment from approximately RM1.2 million for the three months ended 30 September 2020 to approximately RM1.4 million for the three months ended 30 September 2021, (ii) increase in staff cost for administrative and management personnel (including Directors) from approximately RM0.7 million for the three months ended 30 September 2020 to approximately RM1.0 million for the three months ended 30 September 2021 and (iii) increase in repairs and maintenance of property, plant and equipment from approximately RM44,000 for the three months ended 30 September 2020 to approximately RM0.4 million for the three months ended 30 September 2021.

Finance cost

Our finance cost mainly derives from the interest expenses on interest-bearing borrowings and bank overdrafts and interest expenses on lease liabilities. Such cost remained comparable at approximately RM22,000 for the three months ended 30 September 2021 as compared to approximately RM32,000 for the three months ended 30 September 2020.

Income tax expenses

Our income tax expenses decreased by RM0.4 million or 100.0% from approximately RM0.4 million for the three months ended 30 September 2020 to approximately RM25,000 for the three months ended 30 September 2021. It was mainly due to decrease of our assessable profits during the period ended 30 September 2021.

Loss and total comprehensive expenses for the period

Our loss and total comprehensive expenses increased by approximately RM1.0 million from approximately RM7,000 for the three months ended 30 September 2020 to approximately RM1.0 million for the three months ended 30 September 2021. 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 increase in administrative and other operating expenses as analysed above.



CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on 9 December 2019. There has been no change in the capital structure of the Company since then. As at 30 September 2021, the capital structure of the Company comprised mainly of issued share capital and reserves.

MATERIALS ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES AND SIGNIFICANT INVESTMENTS

Save as the acquisition disclosed under Note 11 to the Unaudited Condensed Consolidated Financial Statements, the Group did not have material acquisitions or disposals of subsidiaries or associates during the three months ended 30 September 2021.

OTHER INFORMATION

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

As at 30 September 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provision of the SFO), or as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

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

Name of Directors	Nature of interest and capacity	Number of Shares held/ interested (Note 1)	Approximate percentage of shareholding
Dato' Tan (Note 2)	Interest in a controlled corporation	303,750,000(L)	50.625%
Mr. Yu (Note 3)	Interest in a controlled corporation	112,500,000(L)	18.75%

Notes:

1. The letter “L” demonstrates long position.
2. Dato' Eric Tan Chwee Kuang (“**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. Mr. Yu Decai (“**Mr. Yu**”) beneficially owns the entire issued shares of Worldtone Riches Investment Limited (“**Worldtone Riches**”), a company incorporated in the British Virgin Islands, which in turn holds 112,500,000 Shares or approximately 18.75% of the issued share capital of the Company. Therefore, Mr. Yu is deemed, or taken to be, interested in all the Shares held by Worldtone Riches 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%
Mr. Yu	Worldtone Riches	Beneficial owner	100 ordinary shares	100%

Save as disclosed above, as at 30 September 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 have taken or deemed to have under such provisions of the SFO) or which had been recorded in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed "Directors' and Chief Executive's Interests and/or Short Positions in Shares, Underlying Shares and Debentures" above and in the paragraph headed "Share Option Scheme" below, at no time during the three months ended 30 September 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.

OTHER INFORMATION

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

So far as is known to the Directors and the chief executive of the Company, as at 30 September 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 referred to therein:

Long Position in the ordinary Shares of the Company

Name	Nature of interest and capacity	Number of Shares held/ interested (Note 1)	Approximate percentage of shareholding
Dato' Tan (Note 2)	Interest in a controlled corporation	303,750,000(L)	50.625%
Ms. Kwong (Note 3)	Interest of spouse	303,750,000(L)	50.625%
Advantage Sail (Note 2)	Beneficial owner	303,750,000(L)	50.625%
Mr. Yu (Note 4)	Interest in a controlled corporation	112,500,000(L)	18.75%
Worldtone Riches (Note 4)	Beneficial owner	112,500,000(L)	18.75%
Wuhan Jiayou (Note 5)	Interest in a controlled corporation	32,737,500(L)	5.456%
Shenzhen Huitong (Note 5)	Interest in a controlled corporation	33,750,000(L)	5.625%
Garden Wealth (Note 5)	Beneficial owner	33,750,000(L)	5.625%

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. Ms. Kwong Shir Ling ("**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.
4. Mr. Yu beneficially owns the entire issued shares of Worldtone Riches. Therefore, Mr. Yu is deemed, or taken to be, interested in all the Shares held by Worldtone Riches for the purpose of the SFO.

5. Shenzhen Huitong Yingfu No. 1 Equity Investment Fund Partnership (Limited Partnership)* (“**Shenzhen Huitong**”) is held as to 100% equity interest of Garden Wealth Limited (“**Garden Wealth**”) and Wuhan Jiayou Information Technology Co., Ltd.* (“**Wuhan Jiayou**”) is held as to 97% equity interest of Shenzhen Huitong. Therefore, Wuhan Jiayou is deemed, or taken to be, interested in 97% of the Shares held by Garden Wealth for the purpose of the SFO.

* for identification purpose only

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 30 September 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 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 2020/2021 and Appendix IV to the prospectus of the Company dated 25 November 2019. During the three months ended 30 September 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 30 September 2021.

AUDIT COMMITTEE

As at 30 September 2021, the Audit Committee has three members comprising three Independent Non-executive Directors, namely Mr. Lim Peng Chuan Terence (Chairman), Mr. Chen Youchun 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 financial results of the Group for the three months ended 30 September 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 CG Code in Appendix 15 of the GEM Listing Rules. The Company has adopted and complied with, where applicable, the CG Code during the three months ended 30 September 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 three months ended 30 September 2021.

COMPETING INTERESTS

During the three months ended 30 September 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

In accordance with Rule 6A.19 of the GEM Listing Rules, the Group has appointed Pulsar Capital Limited (the “**Compliance Adviser**”) as our compliance adviser. As at 30 September 2021, 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.

OTHER INFORMATION

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 September 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, 11 November 2021

As at the date of this report, the Board comprises Dato' Eric Tan Chwee Kuang and Mr. Yu Decai as Executive Directors; and Mr. Chen Youchun, Mr. Lim Peng Chuan Terence and Mr. Phua Cheng Sye Charles as Independent Non-executive Directors.

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