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Optima Automobile Group Holdings Limited
傲迪瑪汽車集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8418)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board (the “**Board**”) of directors (the “**Directors**”) of Optima Automobile Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2021. This announcement, containing the full text of the 2021 interim report of the Group (the “**Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities (“**GEM Listing Rules**”) on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM**”) in relation to information to accompany preliminary announcement of interim results. The printed version of the Interim Report will be dispatched to the shareholders of the Company and available for viewing on the website of GEM at www.hkgem.com and of the Company at www.ow.sg in due course in the manner as required by the GEM Listing Rules.

By Order of the Board

Optima Automobile Group Holdings Limited
Ang Lay Keong (Hong Liqiang)
Chairman and Executive Director

Singapore, 11 August 2021

As at the date of this announcement, the executive Directors are Mr. Ang Lay Keong (Hong Liqiang), Ms. Lim Li Ling (Lin Liling), Mr. Goh Duo Tzer (Wu Duoze), Ms. Nie Li, Ms. Lin Xiaojuan and Mr. Hu Wu’an; the independent non-executive Directors are Mr. Chu Kin Ming, Ms. Tan Meng Choon and Mr. Chang Li-Chung.

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

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at www.ow.sg.

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 Optima Automobile Group 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. 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

Mr. Ang Lay Keong (*Hong Liqiang*)
(*Chairman and Chief Executive Officer*)
Ms. Lim Li Ling (Lin Liling)
Mr. Goh Duo Tzer (Wu Duoze)
Ms. Nie Li
Ms. Lin Xiaojuan
Mr. Hu Wu'an

Independent Non-Executive Directors

Mr. Chu Kin Ming
Mr. Tan Meng Choon
Mr. Ong Kar Loon (Wang Jialun)
(Resigned on 25 February 2021)
Mr. Chang Li-Chung
(Appointed on 25 February 2021)

AUDIT COMMITTEE

Mr. Chu Kin Ming (*Chairman*)
Ms. Tan Meng Choon
Mr. Ong Kar Loon (Wang Jialun)
(Resigned on 25 February 2021)
Mr. Chang Li-Chung
(Appointed on 25 February 2021)

REMUNERATION COMMITTEE

Ms. Tan Meng Choon (*Chairlady*)
Mr. Chu Kin Ming
Mr. Ong Kar Loon (Wang Jialun)
(Resigned on 25 February 2021)
Mr. Chang Li-Chung
(Appointed on 25 February 2021)

NOMINATION COMMITTEE

Mr. Ong Kar Loon (Wang Jialun) (*Chairman*)
(Resigned on 25 February 2021)
Mr. Chang Li-Chung (*Chairman*)
(Appointed on 25 February 2021)
Mr. Ang Lay Keong (Hong Liqiang)
Ms. Tan Meng Choon

COMPLIANCE OFFICER

Mr. Goh Duo Tzer (Wu Duoze)

COMPANY SECRETARY

Mr. Chan Tsang Mo, *HKICPA*

AUTHORISED REPRESENTATIVES

Mr. Goh Duo Tzer (Wu Duoze)
Mr. Chan Tsang Mo, *HKICPA*

AUDITORS

BDO Limited

Certified Public Accountants

*(Public Interest Entity Auditor registered
in accordance with the Financial
Reporting Council Ordinance)*

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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STOCK CODE

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COMPANY'S WEBSITE ADDRESS

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INTERIM RESULTS

The board of Directors (the “**Board**”) announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the three months and six months ended 30 June 2021 with comparative figures for the corresponding periods in 2020 as follows:

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

For the three months and six months ended 30 June 2021

	Notes	Three months ended 30 Jun		Six months ended 30 Jun	
		2021 SGD'000 (unaudited)	2020 SGD'000 (unaudited)	2021 SGD'000 (unaudited)	2020 SGD'000 (unaudited)
Revenue	3	8,410	2,785	14,799	6,126
Other Income and Gains	4	399	442	568	515
Items of expenses					
Cost of materials used		(5,789)	(823)	(9,493)	(1,917)
Marketing and advertising expenses		(91)	(4)	(245)	(32)
Employee benefit expenses		(1,241)	(916)	(2,414)	(2,099)
Depreciation of property, plant and equipment		(91)	(71)	(171)	(153)
Impairment of right-of-use assets		-	-	-	(170)
Depreciation of right-of-use assets		(641)	(621)	(1,268)	(1,377)
Amortisation of intangible assets		(4)	-	(4)	-
Impairment of trade receivables		(2)	(447)	(19)	(789)
Finance costs	5	(82)	(72)	(167)	(146)
Short term lease expense		(1)	(127)	(13)	(176)
Other expenses		(612)	(596)	(1,071)	(929)
Share of joint venture (net of tax)		(23)	-	(58)	-
Share of associates (net of tax)		(121)	12	(128)	12
Profit/(Loss) before income tax (expense)/credit	6	111	(438)	316	(1,135)
Income tax (expense)/credit	7	(86)	-	(175)	12
Profit/(Loss) for the period		25	(438)	141	(1,123)

Notes	Three months ended 30 Jun		Six months ended 30 Jun	
	2021 SGD'000 (unaudited)	2020 SGD'000 (unaudited)	2021 SGD'000 (unaudited)	2020 SGD'000 (unaudited)
Other comprehensive income, net of tax				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign operations	(9)	–	(9)	–
Share of other comprehensive income of a joint venture	–	–	–	–
Share of other comprehensive income of an associate	(83)	–	(113)	–
Other comprehensive income for the period, net of tax	(92)	–	(122)	–
Total comprehensive income for the period	(67)	(438)	19	(1,123)
Profit/(loss) attributable to:				
Owners of the Company	48	(438)	164	(1,123)
Non-controlling interests	(23)	–	(23)	–
	25	(438)	141	(1,123)
Total comprehensive income attributable to:				
Owners of the Company	(44)	(438)	42	(1,123)
Non-controlling interests	(23)	–	(23)	–
	(67)	(438)	19	(1,123)
Earnings/(Losses) per share				
– Basic and diluted (SGD Cents)	9	0.01	(0.05)	0.02

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Unaudited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	960	731
Right-of-use assets	11	9,580	10,425
Intangible assets	12	564	–
Deposits	15	194	194
Interest in joint venture	13	–	58
Interest in associate	14	2,401	2,642
Total non-current assets		13,699	14,050
Current assets			
Inventories		1,649	1,090
Trade and other receivables	15	7,330	4,093
Cash and Cash equivalents		3,573	3,331
Total current assets		12,552	8,514
Current liabilities			
Trade and other payables	16	6,779	3,359
Lease liabilities	11	3,237	3,504
Bank borrowings	17	100	174
Current tax liabilities		577	538
Total current liabilities		10,693	7,575
Net Current assets		1,859	939
Total assets less current liabilities		15,558	14,989

	Notes	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Unaudited)
Non-current liabilities			
Lease liabilities	11	2,595	3,501
Bank borrowings	17	900	463
Deferred tax liabilities		97	97
Total non-current liabilities		3,592	4,061
Net assets		11,966	10,928
Equity			
Share capital		1,497	1,497
Non-controlling interest		996	–
Reserves		9,473	9,431
Total equity		11,966	10,928

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Share capital SGD'000	Share premium SGD'000	Merger reserve SGD'000	Other reserve SGD'000	(Accumulated losses)/ Retained earnings SGD'000	Foreign currency exchange reserve SGD'000	Total SGD'000	Non- controlling interest SGD'000	Total equity SGD'000
Balance as at 1 January 2021 (audited)	1,497	7,187	2,645	(103)	(293)	(5)	10,928	-	10,928
Profit/(loss) for the period	-	-	-	-	164	-	164	(23)	141
Acquisition of subsidiary	-	-	-	-	-	-	-	1,019	1,019
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	(9)	(9)	-	(9)
Share of other comprehensive income of a joint venture	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of an associate	-	-	-	-	-	(113)	(113)	-	(113)
Total other comprehensive income for the period	-	-	-	-	-	(122)	(122)	-	(122)
Balance as at 30 June 2021 (unaudited)	1,497	7,187	2,645	(103)	(129)	(127)	10,970	996	11,966
Balance as at 1 January 2020 (audited)	1,497	7,187	2,645	(103)	496	-	11,722	-	11,722
Loss and total comprehensive income for the period	-	-	-	-	(1,123)	-	(1,123)	-	(1,123)
Balance as at 30 June 2020 (unaudited)	1,497	7,187	2,645	(103)	(627)	-	10,599	-	10,599

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Net cash generated from operating activities	2,181	648
Net cash used in investing activities	(2,206)	(2,059)
Net cash generated from/(used in) financing activities	267	(1,770)
Net increase/(decrease) in cash and cash equivalents	242	(3,181)
Cash and cash equivalents at beginning of period	3,331	6,343
Cash and cash equivalents at end of period	3,573	3,162
Analysis of balances of cash and cash equivalents		
Cash at banks and on hand	3,573	3,162

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 14 March 2018. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The principal place of business is located at 6 Kung Chong Road, Alexandra Industrial Estate, Singapore 159143. On 11 October 2019, the Company's shares were listed on GEM of The Stock Exchange.

The principal activity of the Company is investment holding. The principal activity of the Group is provision of repair and maintenance of motor vehicles in Singapore. As at 30 June 2021, the immediate holding company of the Company was Red Link International Limited, a limited liability incorporated in the British Virgin Islands. The directors of the Company considered the ultimate holding company to be Red Link International Limited.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and related interpretations, issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The unaudited condensed consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited condensed consolidated financial statements are presented in Singapore dollars ("**SGD**"). Items included in the unaudited financial statements of each entity within the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "**functional currency**"). The functional currency of the Company is SGD. The subsidiaries are operating in Singapore and SGD is used as the presentation currency of the Group.

The unaudited condensed consolidated financial statements are prepared on the historical cost basis. It should be noted that accounting estimates and assumptions are used in preparation of the unaudited condensed consolidated financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates and assumptions.

The accounting policies used in the preparation of the unaudited condensed consolidated financial information for the six months ended 30 June 2021 are consistent with those followed in the preparation of the Group's financial information for the year ended 31 December 2020 except for the application of the new or revised standards, amendments and interpretations ("**new or revised HKFRSs**") issued by the HKICPA, which have become effective in the current period, further described in the "**Adoption of new or revised HKFRSs**" section which are relevant to the Group and effective for the Group's financial period beginning on 1 January 2021.

Adoption of new and revised HKFRSs

A number of amendments to standards have been issued and are effective from 1 January 2020. The Group applies these amendments for the first time in 2020, but do not have a material impact on the interim financial statements of the Group. Saved as disclosed below, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments. Those which are more relevant to the Group include:

- The Conceptual Framework for Financial Reporting 2018
- Amendments to HKAS 1 and HKAS 8 Definition of Material
- Amendments to HKFRS 3 Definition of a Business
- Amendments to HKFRS 9, HKAS 39 and HKFRS 7 Interest Rate Benchmark Reform

Basis of consolidation

The unaudited condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the unaudited condensed consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure or rights to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Associates are initially recognised in the unaudited condensed consolidated statement of financial position at cost, and subsequently accounted for using the equity method less any impairment losses. Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is included in the carrying amount of the investment in associate. Under the equity method, the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the unaudited condensed consolidated statement of profit or loss and other comprehensive income. Post-acquisition changes in the Group's share of net assets of associates and distributions received are adjusted against the carrying amount of the investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment) are not recognised, unless the Group has incurred legal or constructive obligations to make good those losses or made payments on behalf of the associate. Where the Group transacts with an associate, unrealised profits are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated, but only to the extent that there is no impairment.

Joint arrangements

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the Group has rights to only the net assets of the joint arrangement; or
- Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- the structure of the joint arrangement;
- the legal form of joint arrangements structured through a separate vehicle;
- the contractual terms of the joint arrangement agreement; and
- any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method).

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

3. REVENUE AND SEGMENT INFORMATION

An analysis of revenue from the Group's principal activities, which is also the Group's turnover, is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15				
Revenue from after-market automotive services				
Service income	2,897	2,184	5,746	4,910
Warranty income	137	66	242	209
	3,034	2,250	5,988	5,119
Automotive supply income	4,781	122	7,566	227
Revenue from other sources				
Car rental income	595	413	1,245	780
	8,410	2,785	14,799	6,126
Disaggregation by timing of revenue recognition				
Over time	3,034	2,250	5,988	5,119
Point in time	4,781	122	7,566	227
	7,815	2,372	13,554	5,346

The Group has three reportable segments. The segments are managed separately as each business offers different services and requires different business strategies.

The following summary describes the operations in each of the Group's reportable segments:

- After-market automotive services – inspection, repair services and maintenance
- Car rental services – provision of car rental services
- Automotive supply business – supply of passenger car spare parts, accessories and automotive equipment

As the directors consider the Group's revenue (determined based on the location of customers) and results are all materially derived in Singapore and no material assets of the Group are located outside Singapore, geographical segment information is not considered necessary.

4. OTHER INCOME AND GAINS

	Three months ended 30 Jun		Six months ended 30 Jun	
	2021 SGD'000 (unaudited)	2020 SGD'000 (unaudited)	2021 SGD'000 (unaudited)	2020 SGD'000 (unaudited)
Government grants	60	440	172	471
COE & PARF encashment	-	-	-	15
Reversal of impairment of trade receivables	215	2	215	2
Rental rebates	-	-	56	-
Gain on acquisition of subsidiary	93	-	93	-
Others	31	-	32	27
	399	442	568	515

5. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Interest element of lease liabilities	60	65	133	131
Interest on short term loan	10	-	14	-
Interest on bank borrowings	12	7	20	15
	82	72	167	146

6. (LOSS)/PROFIT BEFORE INCOME TAX (EXPENSE)/CREDIT

	Three months ended 30 Jun		Six months ended 30 Jun	
	2021 SGD'000 (unaudited)	2020 SGD'000 (unaudited)	2021 SGD'000 (unaudited)	2020 SGD'000 (unaudited)
(Loss)/Profit before income tax (expense)/credit is arrived at after charging/(crediting):				
Auditor's remuneration	17	17	35	35
Cost of inventories recognised as expenses	5,789	823	9,493	1,917
Depreciation of right-of-use assets	641	621	1,268	1,377
Depreciation of property, plant and equipment	91	71	171	153
Employee benefit expenses (including directors' emoluments)				
- Salaries, allowances and other benefits	1,136	840	2,222	1,936
- Contributions to defined contribution retirement plan	105	76	192	163
- Total	1,241	916	2,414	2,099
Impairment of right-of-use assets	-	-	-	170
Impairment of trade receivables	2	447	19	789
Reversal of impairment of trade receivables	(215)	(2)	(215)	(2)
Bad debts written off	-	1	-	1
Loss on disposal/write off of property, plant and equipment	-	-	-	2
Operating lease payments in respect of leased premises	1	127	13	176

7. INCOME TAX EXPENSE/(CREDIT)

	Three months ended 30 June		Six months ended 30 June	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Current tax				
– Current period	86	–	175	–
Deferred tax				
– Over provision in respect of prior period	–	–	–	(12)
	86	–	175	(12)

Singapore profits tax is calculated at 17% on the estimated assessable profits arising in Singapore for the six months ended 30 June 2021.

No provision for PRC income tax had been made as the Group did not generate any assessable profits arising in PRC during the reporting period.

8. DIVIDENDS

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

9. (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Three months ended 30 June		Six months ended 30 June	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
The basic and diluted (losses)/earnings per share for the period are calculated based on the following: (Loss)/Profit attributable to owners of the Company for the period	48	(438)	164	(1,123)
Weighted average number of ordinary shares in issue (Note)	850,000,000	850,000,000	850,000,000	850,000,000
Basic and diluted (losses)/earnings per share (SGD cents)	0.01	(0.05)	0.02	(0.13)

Note:

For the period ended 30 June 2021 and 30 June 2020, the calculation of basic losses per share was based on the loss attributable to the owners of the Company and on the basis of the weighted average number of 850,000,000 ordinary shares in issue.

Diluted (losses)/earnings per share were the same as basic (losses)/earnings per share as there was no potential dilutive ordinary share in existence during the period ended 30 June 2021 and 2020.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired plant and equipment of approximately SGD0.7 million of which SGD0.5 million was acquired through the acquisition of a subsidiary (six months ended 30 June 2020: SGD0.2 million; nil) and disposed of plant and equipment of approximately nil (six months ended 30 June 2020: SGD0.1 million). There is no write off of plant and equipment for the six months ended 30 June 2021 and 30 June 2020.

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17.

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the periods:

	Right-of-use assets		Lease liabilities	
	Motor vehicles SGD'000	Leased properties for own use SGD'000	Total SGD'000	Total SGD'000
As at 1 January 2021 (audited)	7,371	3,054	10,425	7,005
Additions	284	192	476	526
Depreciation expenses	(640)	(628)	(1,268)	-
Reclassification to property, plant and equipment	(50)	-	(50)	-
Lease modification	-	(3)	(3)	(3)
Interest expenses	-	-	-	133
Payments	-	-	-	(1,829)
As at 30 June 2021 (unaudited)	6,965	2,615	9,580	5,832
As at 1 January 2020 (audited)	8,608	2,132	10,740	7,266
Additions	618	1,547	2,165	1,954
Depreciation expenses	(1,339)	(1,271)	(2,610)	-
Reclassification to property, plant and equipment	(178)	-	(178)	-
Lease modification	-	1,084	1,084	1,084
Impairment	(162)	-	(162)	-
Disposal	(176)	-	(176)	-
Lease termination	-	(438)	(438)	(470)
Interest expenses	-	-	-	282
Payments	-	-	-	(3,111)
As at 31 December 2020 (audited)	7,371	3,054	10,425	7,005

The Group recognised rent expenses from short-term leases of SGD13,000 (six months ended 30 June 2020: SGD176,000) in profit or loss for the six months ended 30 June 2021.

During the six months ended 30 June 2021, an impairment assessment was performed by management on these right-of-use assets by estimating the recoverable amount based on a value in use calculation. Accordingly, an impairment loss of nil (six months ended 30 June 2020: SGD170,000) was recognised in profit or loss for the six months ended 30 June 2021.

The remaining contractual maturities of the Group's lease liabilities as at 30 June 2021 and 31 December 2020 are as follows:

	As at 30 June 2021		As at 31 December 2020	
	Present value of the minimum lease payments SGD'000 (Unaudited)	Total minimum lease payments SGD'000 (Unaudited)	Present value of the minimum lease payments SGD'000 (Audited)	Total minimum lease payments SGD'000 (Audited)
Within 1 year	3,237	3,434	3,504	3,672
After 1 year but within 2 years	2,099	2,171	2,518	2,608
After 2 years but within 5 years	496	451	983	1,034
After 5 years	-	-	-	-
	2,595	2,622	3,501	3,642
	5,832	6,056	7,005	7,314
Less: total future interest expense		(224)		(309)
Present value of lease liabilities		5,832		7,005

12. INTANGIBLE ASSETS

	Software development system SGD'000	Development cost SGD'000	Total SGD'000
Cost			
At 1 January 2020, 31 December 2020 and 1 January 2021 (unaudited)	–	–	–
Acquisition of subsidiary	329	385	714
Addition for the period	–	39	39
Currency realignment	(4)	(4)	(8)
At 30 June 2021 (unaudited)	325	420	745
Amortisation and impairment			
As at 1 January 2020, 31 December 2020 and 1 January 2021 (unaudited)	–	–	–
Acquisition of subsidiary	179	–	179
Charge for the period	4	–	4
Currency realignment	(2)	–	(2)
At 30 June 2021 (unaudited)	181	–	181
Carrying amounts			
At 30 June 2021 (unaudited)	144	420	564

During the six months ended 30 June 2021, the Group acquired Intangible assets of approximately SGD0.5 million (six months ended 30 Jun 2020: Nil) through the acquisition of a subsidiary (note 19).

The intangible assets relate to Preschool Education Homeland Software Development System and Smart House Software Development System. Development costs are capitalised cost that are directly attributable to the development of a proprietary infant education platform.

13. INTERESTS IN A JOINT VENTURE

	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
Cost of unlisted investment in a joint venture		
Share of net assets other than goodwill	58	68
Exchange realignment	–	(10)
	58	58

Movements in interest in a joint venture during the year are as follows:

	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
As at 1 January	58	–
Additions	–	211
Share of results of a joint venture	(58)	(143)
Exchange realignment	–	(10)
	–	58

Particulars of the joint venture of the Group as the end of the reporting period are set out as follows:

Name	Place of incorporation/ operation	Issued and fully paid share capital	Percentage of ownership interests		Place of incorporation and operation
			2021	2020	
Absolute By Optima Werkz (Thailand) Co., Ltd. (Note)	Thailand	BAHT12,000,000	40%	40%	Repair and maintenance of motor vehicles including installation of parts and accessories

Note:

As at 30 January 2020, Optima Werkz Pte. Ltd., an indirect wholly-owned subsidiary of the Company, has entered into an agreement with Wealth Firm Holding Co., Ltd. ("**Wealth Firm**"), an independent third party and a limited liability company incorporated in Thailand, to form and invest in a company in Thailand. The company named Absolute By Optima Werkz (Thailand) Co., Ltd. ("**ABOW**"). ABOW is a limited liability company incorporated in Thailand on 23 March 2020 of which the Group and Wealth Firm held 40% and 60% equity interest in ABOW respectively. Its principal activity is repair and maintenance of motor vehicles including installation of parts and accessories in Thailand.

The Group has invested in Thailand in order to expand the overseas business of the Group to diversify its country risk.

The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for the liabilities of the joint arrangement resting primarily with ABOW. Under HKFRS 11, this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method.

Summarised financial information of the joint venture, adjusted for any difference in accounting policies, is presented below:

	Absolute By Optima Werkz (Thailand) Co., Ltd	
	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
Current assets	777	1,248
Non-current assets	1,649	1,950
Current liabilities	(363)	(749)
Non-current liabilities	(2,268)	(2,306)
Net assets/(liabilities)	(205)	143
Reconciliation of the Group's interest in a joint venture		
Proportion of the Group's ownership	40%	40%
Group's share of net assets of joint venture (excluding goodwill)	-	58
Carrying amount of the interest in the joint venture	-	58
	30 June 2021 SGD'000 (Unaudited)	30 June 2020 SGD'000 (Unaudited)
Revenue	331	295
(Loss)/Profit of the period	(345)	*
Other comprehensive income for the period	(30)	-
Total comprehensive income for the period	(375)	*

Joint venture had no significant contingent liabilities or capital commitments as at 30 June 2021 and 31 December 2020.

14. INTERESTS IN AN ASSOCIATE

	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Unaudited)
Cost of unlisted investment in an associate		
Share of net assets other than goodwill	563	686
Goodwill	1,951	1,951
Exchange realignment	(113)	5
	2,401	2,642

Movements in interest in an associate during the year are as follows:

	2021 SGD'000 (Unaudited)	2020 SGD'000 (Audited)
As at 1 January	2,642	–
Additions	–	2,506
Share of results of a joint venture	(128)	131
Exchange realignment	(113)	5
	2,401	2,642

Particulars of the joint venture of the Group as the end of the reporting period are set out as follow:

Name	Place of incorporation/ operation	Issued and fully paid share capital	Percentage of ownership interests		Place of incorporation and operation
			2021	2020	
Optima Werkz Myanmar Services Co., Ltd (Note)	Myanmar	US\$1,000,000	35%	35%	Repair and maintenance of motor vehicles including installation of parts and accessories

Note:

On 7 December 2019, Optima Werkz Pte. Ltd., an indirect wholly-owned subsidiary of the Company, has entered into an acquisition agreement with Regal Werkz Pte. Ltd., an independent third party and a limited liability company incorporated in Singapore, to acquire 100% equity interest of Optima Werkz Myanmar Holdings Pte. Ltd. ("**OWMH**"), a limited liability company incorporated in Singapore, which held 35% equity interest in Optima Werkz Myanmar Services Co., Ltd. ("**OWMS**") at a total consideration of approximately SGD2,500,000. OWMS is a limited liability company incorporated in Myanmar on 7 August 2017. OWMH held 35% equity interest in OWMS and its principal activity is repair and maintenance of motor vehicles including installation of parts and accessories in Myanmar. The acquisition was completed on 13 May 2020 and the Group held 35% equity interest in OWMS since then.

The Group has invested in Myanmar in order to expand the overseas business of the Group to diversify its country risk.

The directors of the Company considered the Group can exercise significant influence over the investee and therefore was treated as an associate and applied equity method to account for the investment.

Summarised financial information of the associate, adjusted for any difference in accounting policies, is presented below:

	Optima Werkz Myanmar Services Co., Ltd.	
	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
Current assets	550	1,774
Non current assets	1,381	714
Current liabilities	(10)	(510)
Non-current liabilities	(636)	(4)
Net assets	1,285	1,974
Reconciliation of the Group's interest in an associate		
Proportion of the Group's ownership	35%	35%
Group's share of net assets of associate (excluding goodwill)	450	691
Goodwill	1,951	1,951
Carrying amount of the interest in the associate	2,401	2,642
	30 June 2021 SGD'000 (Unaudited)	30 June 2020 SGD'000 (Unaudited)
Revenue	978	1,047
(Loss)/Profit of the period	(367)	100
Other comprehensive income for the period	(323)	-
Total comprehensive income for the period	(690)	100

Associate had no significant contingent liabilities or capital commitments as at 30 June 2021 and 31 December 2020.

15. TRADE AND OTHER RECEIVABLES

	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
Trade receivables (Note (a))	3,015	2,834
Less: impairment loss	(870)	(1,066)
<hr/>		
Trade receivables, net	2,145	1,768
Contract assets	105	246
Deposits, prepayments and other receivables (Note (b))	5,274	2,273
<hr/>		
	7,524	4,287
<hr/>		
Categorised as:		
Current portion	7,330	4,093
Non-current portion	194	194
<hr/>		
	7,524	4,287
<hr/>		

Note:

- (a) As at 30 June 2021, included in trade receivables represented lease receivables arising from car rental business amounted to SGD40,000 (31 December 2020: SGD148,000).
- (b) Included in other receivables represented loans receivable from a director of a subsidiary and an employee of SGD0.3 million (31 December 2020: Nil) and SGD0.7 million (31 December 2020: Nil) respectively. The loan to a director is unsecured, bears interest of 5% per annum and repayable within 12 months from period ended 30 June 2021. The loan to an employee is unsecured, non interest bearing and repayable within 12 months from period ended 30 June 2021.

The fair values of trade and other receivables are considered by the directors not to be materially different from their carrying amounts. The normal credit period granted to customers was ranged from 30 to 90 days.

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

	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
Within 30 days	1,078	490
31-60 days	213	298
61-90 days	164	162
91-180 days	309	264
181-365 days	224	437
Over 365 days	157	117
	2,145	1,768

The ageing analysis of trade receivables, based on due date, as at the end of the reporting period, is as follows:

	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
Neither past due nor impaired	705	211
Past due but not impaired		
Less than 60 days	623	611
61-90 days	153	159
91-180 days	306	239
181-365 days	215	431
Over 365 days	143	117
	1,440	1,557
	2,145	1,768

Trade receivables that were neither past due nor impaired related to a range of customers for whom there was no recent history of default. Trade receivables that were past due but not impaired related to customers with long business relationship. Based on past experience, management believes that no impairment allowance is necessary as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group did not hold any collateral in respect of these balances.

Movements in impairment loss recognised in respect of trade receivables are as follows:

	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
At beginning of period	1,066	413
Allowance for impairment	19	822
Reversal of impairment	(215)	(42)
Write off against allowance	–	(127)
	870	1,066

Impairment of trade receivables

As at 30 June 2021, total allowance of SGD809,000 (31 December 2020: SGD992,000) was recognised as management considered the recoverability of balance was remote. For the remaining trade receivables, the Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9 and total allowance of SGD61,000 (31 December 2020: SGD74,000) was made against the gross amount of trade receivables as at 30 June 2021. Total bad debts of nil (six months ended 30 June 2020: SGD1,000) was written off directly to profit or loss for the six months ended 30 June 2021 (Note 6).

All contract assets and other receivables as at 30 June 2021 and 31 December 2020 were neither past due nor impaired.

16. TRADE AND OTHER PAYABLES

	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
Trade payables (Note (a))	735	652
Other payables, accruals and deposits received (Note (b))	3,193	1,565
Contract liabilities (Note (c))	2,851	1,142
	6,779	3,359

Note:

- (a) The credit period granted by suppliers is normally 30 to 60 days. The ageing analysis of trade payables, based on invoice date, as at the end of the reporting period are as follows:

	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
Within 30 days	341	321
31-60 days	314	222
61-90 days	48	90
Over 90 days	32	19
	735	652

- (b) Included in other payables represented loans payable to independent third parties, a related party and a connected person of SGD0.4 million (31 December 2020: SGD0.4 million), SGD0.5 million (31 December 2020: Nil) and SGD1.0 million (31 December 2020: Nil) respectively. These loans are unsecured, interest bearing from 3.6% per annum to 5% per annum (31 December 2020: 3.6% per annum) and repayable within 12 months from period ended 30 June 2021.

(c) Movements in contract liabilities

	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
Balance as at beginning of period	1,142	215
Increase in contract liabilities as a result of advance payments made by customers	9,329	1,037
Decrease in contract liabilities as a result of recognising revenue during the Period	(7,600)	(110)
Currency realignment	(20)	–
	<hr/>	<hr/>
Balance as at end of period	2,851	1,142

17. BANK BORROWINGS

	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
Secured and interest-bearing bank borrowings (Note (i))		
– Bank loans due for repayment within a year	100	174
– Bank loans due for repayment after a year (Note (ii))	900	463
	<hr/>	<hr/>
	1,000	637
	<hr/>	<hr/>
Categorised as:		
Current portion	100	174
Non-current portion	900	463
	<hr/>	<hr/>
	1,000	637

Notes:

- (i) Bank loans were interest bearing at floating rates. The interest rates of the Group's bank loans as at 30 June 2021 and 31 December 2020 granted under banking facilities ranged from 2.9% to 4.2% and 2.7% to 4.2% respectively per annum.
- (ii) As at 30 June 2021 and as at 31 December 2020, none of the portion of these bank loans due for repayment after one year which contain a repayment on demand clause and that are classified as current liabilities are expected to be settled within one year.
- (iii) As at 30 June 2021 and 31 December 2020, the Group's banking facilities are secured by corporate guarantee of the Company.

As at the end of the reporting period, the Group's bank borrowings were scheduled to repay as follows:

	30 June 2021 SGD'000 (Unaudited)	31 December 2020 SGD'000 (Audited)
On demand or within one year	100	174
More than one year, but not exceeding two years	249	184
More than two years, but not exceeding five years	651	279
More than five years	–	–
	1,000	637

18. SHARE CAPITAL

	30 June 2021		31 December 2020	
	HK\$'000 (Unaudited)	SGD'000 (Unaudited)	HK\$'000 (Audited)	SGD'000 (Audited)
Authorised: 16,000,000,000 ordinary shares of HK\$0.01 each	160,000	28,191	160,000	28,191
Issued and fully paid: 850,000,000 ordinary shares of HK\$0.01 each	8,500	1,497	8,500	1,497

19. BUSINESS ACQUISITION DURING THE PERIOD

On 29 April 2021 the Group, had entered into an agreement to acquire and Ms. Lin Aisheng, Ms. Wang Kaiqieng and Mr. Zhou Yian (the “Vendors”) have agreed to sell an aggregate of 53% of the equity interest in Hunan Maliang Digital Technology Co., Ltd. 湖南馬良數碼科技股份有限公司 (the “Target Company”) at the total consideration of RMB5,077,840 through Shenzhen Bainian Health Biotechnology Co. Ltd. 深圳百年健康生物科技有限公司 (the “Purchaser”), an indirect wholly-owned subsidiary of the Company (the “Acquisition”). Pursuant to which the Purchaser has agreed upon completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

The Target Company is principally engaged in education data collection and provision of management platform services focusing on the PRC’s kindergarten sector. The Group believes that the Acquisition is strategically beneficial for the Group to:

- (i) leverage on the Target Company to enter into the PRC market;
- (ii) diversify the Group’s business to cover education data collection and management platform services in the PRC; and
- (iii) broaden its source of income.

The provisional fair value of net assets of the acquiree as at the date of acquisition were:

	Notes	SGD'000 (unaudited)
Non-Current assets		
Property, plant and equipment		139
Intangible assets		535
		<hr/>
		674
<hr/>		
Current Assets		
Trade and other receivables		1,372
Cash and bank balances		2
Inventories		175
		<hr/>
		1,549
<hr/>		
Current liabilities		
Trade and other payables		(56)
		<hr/>
		(56)
<hr/>		
The provisional fair value of net assets acquired	(i)	1,149
Total considerations		1,056
		<hr/>
Gain on acquisition of subsidiary		(93)
<hr/>		
Consideration satisfied by:		
Cash consideration		1,056
<hr/>		
Net outflow arising on acquisition:		
Cash consideration		(1,056)
Cash and bank balances acquired		2
		<hr/>
		(1,054)
<hr/>		

Notes:

- (i) As at the date of these unaudited condensed consolidated financial statements, the Group has not finalised the fair value assessments for the net identifiable assets and liabilities acquired from the acquisition due to the proximity of the transaction to the reporting date. The relevant fair values of the net assets acquired stated above are on a provisional basis.
- (ii) Since the acquisition date, Hunan Maliang Digital Technology Co., Ltd., has contributed SGD5,000 and loss of SGD49,000 to the Group's revenue and net profit respectively for the period from 8 May 2021 to 30 June 2021.

If the acquisition had occurred on 1 January 2021, the Group's revenue and net profit would have been SGD14.8 million and SGD48,000 respectively.

This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2021, nor is it intended to be a projection of future performance.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a one-stop after-market automotive service provider in Singapore offering comprehensive and integrated automotive-related solutions to customers. The Group is principally engaged in the provision of a comprehensive range of after-market automotive services, with a focus on inspection, maintenance and repair services and also engaged in (i) offering short-term and long-term car rental services; and (ii) supplying passenger car spare parts, accessories and automotive equipment to customers in Singapore and overseas countries and automobiles to customers in China. The Group operates three service centres and one paint workshop in Singapore. Our service centres are equipped with cutting-edge diagnostic equipment and facilities for the provision of comprehensive after-market automotive services except for spray painting services which shall be handled by our paint workshop.

In order to broaden the trading of the Group's parallel imported vehicles and related businesses in Mainland China, the Group has established a wholly-owned subsidiary Hunan Optima Automobile Co., Ltd. in Changsha, Hunan, the PRC on 3 February 2021, which is mainly responsible for the business in central and southern China, with Hu Wu'an, the executive director of the Group, acting as the general manager. It mainly builds a supply chain focusing on imported vehicles, car spare parts and supporting services and provides customers with a "one-stop" high-quality services of parallel imported vehicles, safe, fast, price-competitive and flexible vehicle supporting financial insurance.

On 1 February 2021, there were news of the political developments in Myanmar, announcing the detention of Aung San Suu Kyi, the State Counsellor of Myanmar and the other leaders of the National League Democracy Party. Myanmar's military has also announced a one-year state of emergency during which the military would be taking over the affairs of Myanmar. It has further pledged to hold elections after one year and operate in line with existing laws. The operation of OWMS, a 35% owned associate of the Group which is in the business of repairs and maintenance of motor vehicles including installation of parts and accessories in Yangon, Myanmar, was disrupted due to the current political situation and recent declaration of martial law in some areas of Yangon on 14 March 2021. To ensure the safety of all staff, they are advised to work from home until the situation improves.

Automotive supply income increased by approximately SGD7.3 million for the six months ended 30 June 2021 (“PE2021”) as compared to the six months ended 30 June 2020 (“PE2020”). The increase is mainly due to the Group commencing its activity to supply automobile spare parts, accessories, equipment and automobiles to customers in Mainland China in July 2020, i.e. after PE2020.

OUTLOOK

Although there has been progress in COVID-19 vaccines development and deployment around the world, uncertainties and risks in the global economy remains in the year ahead due to factors such as the adequacy of vaccine supplies and speed of vaccine deployment, the possible emergence and spread of new strains of the virus as well as the strength of policy support to drive economic recovery. The Group will adopt a cautious and prudent approach on expansions and will continue to focus on strengthening its position in the after-market automotive services business in Singapore and increasing its market share in the sales of automobiles, parts and related products in the Mainland China market.

The Group will continue to monitor the political development in Myanmar and the impact on the operations of its 35% owned associate, OWMS. Further information is required in order to ascertain the financial impact to the Group. The Group will provide further updates when there are material developments.

On 29 April 2021 the Group, had entered into an agreement to acquire and Ms. Lin Aisheng, Ms. Wang Kaiqieng and Mr. Zhou Yian (the “**Vendors**”) have agreed to sell an aggregate of 53% of the equity interest in Hunan Maliang Digital Technology Co., Ltd. (湖南馬良數碼科技股份有限公司) (the “**Target Company**”) at the total consideration of RMB5,077,840 through Shenzhen Bainian Health Biotechnology Co. Ltd. (深圳百年健康生物科技有限公司) (the “**Purchaser**”), an indirect wholly-owned subsidiary of the Company (the “**Acquisition**”). Pursuant to which the Purchaser has agreed upon completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

As disclosed in the annual report of the Company for the year ended 31 December 2020, the Group's business has been affected by the outbreak of the COVID-19 since early 2020. To combat the negative impacts of the COVID-19 on the Group's businesses, it is the Group's intention to strengthen its existing businesses and explore opportunities to enhance the growth prospects of the Group and create value for the Shareholders. The Group has also been actively seeking any feasible expansions which is suitable for the Group's market diversifications into the PRC. In particular, to mitigate the substantial impacts of the COVID-19 on physical stores and to take advantage of the recent shift in demand from brick-and-mortar store to e-commerce, it is the Group's intention to seek new business opportunity in the e-commerce platform.

The Target Company is principally engaged in education data collection and provision of management platform services focusing on the PRC's kindergarten sector. It collects education data from kindergartens through its mobile phone application called "馬良家園 APP", intelligence robots and physical training equipment as well as software platforms. The education data collected could (i) generate useful statistics for parents and teachers to have a better understanding of the learning situations of the children; (ii) enable teachers to create education programs which are more suitable for the children and to improve the learning process of the children; and (iii) improve the efficiency of managing kindergartens by the teachers as a whole. The Target Company is a growing service provider with business prospect demonstrated by (i) its inclusion in the third batch of intelligent manufacturing pilot demonstration enterprises in Changsha* (長沙市第三批智能製造試點示範企業) in 2016; (ii) the granting of the status of High and New Technology Enterprise* (高新技術企業) to the Target Company since 2017; and (iii) the increasing number of strategic cooperation agreements signed by the Target Company with kindergarten and other corporations. The Group believes that the Acquisition is strategically beneficial for the Group to (i) leverage on the Target Company to enter into the PRC market; (ii) diversify the Group's business to cover education data collection and management platform services in the PRC; and (iii) broaden its source of income.

By 8 May 2021, the Group has paid RMB5,077,840 to the Vendors, being the consideration for the acquisition of the aggregate of 53% of the equity interest in the Target Company.

The Group will continue to monitor the situation with the COVID-19 outbreak and the risks and uncertainties faced by the Group as a result thereof and make further updates by way of announcement(s) as and when required.

FINANCIAL REVIEW

Revenue

Revenue for the Group was approximately SGD14.8 million for PE2021 as compared approximately to SGD6.1 million for PE2020, an increase of approximately SGD8.7 million. The increase was mainly attributable to (i) an increase in sales of passenger car spare parts, accessories, automotive equipment and automobiles of approximately SGD7.3 million attributable mainly to related business in Mainland China. (ii) an increase in after-market automotive service income of approximately SGD0.9 million. (iii) an increase in car rental income of approximately SGD0.5 million.

Cost of material used

In PE2021, the cost of materials used increased by approximately SGD7.6 million as compared to PE2020. This is due to the inclusion of the cost incurred by related business in Mainland China and the supply of automobile spare parts, accessories, equipment, and automobiles to customers which amounted to approximately SGD7.2 million. The average purchase prices of our cost of materials used in providing after-market automobile services have increased slightly due to price increases by vendors.

Marketing and advertising expenses

The increase in marketing and advertising expenses from approximately SGD32,000 in PE2020 to SGD0.2 million in PE2021 was due to the increase in commission and referral fees paid to third parties and advertising expenses for the after-market automotive services and the sales of accessories.

Employee benefit expenses

In PE2021, the employee benefit expenses increased by approximately SGD0.3 million as compared to PE2020. This is due to a salary cut as part of the Group's cost control measures to mitigate the adverse impact from COVID-19 outbreak in PE2020. The salary cut was reverted in Q3 of PE2020.

Impairment of trade receivables

In PE2021, the impairment of trade receivables decrease by approximately SGD0.8 million as compared to PE2020. This is due to an impairment of trade receivables recorded in PE2020 of approximately SGD0.8 million on trade receivables from customers affected by the economic effects brought on by COVID-19 and a long-term car rental customer.

Impairment of right-of-use assets

In PE2020, the Group has recorded an impairment of right-of-use assets amounting to approximately SGD0.2 million as a result of the effects of COVID-19 on the Singapore economy. No additional impairment of right-of-use assets is recorded in PE2021 as the Group is confident that Singapore economy is on a recovery track.

Short term lease expense

The decrease in short term lease expense of approximately SGD0.2 million is due to the group renewing one of its tenancy agreements for more than 12 months in September 2020. This is classified as a right-of-use asset and lease liabilities under HKFRS 16 in PE2021.

Other expenses

The increase in other expenses of approximately SGD143,000 is mainly due to (i) an exchange gain of SGD179,000 recorded in PE2020 as compared to an exchange loss of SGD10,000 recorded in PE2021 offsetted by; (ii) decrease in machinery maintenance and corporate fees of approximately SGD18,000 and SGD28,000 respectively.

Income tax (expense)/credit

The Group recorded a tax expense of approximately SGD0.2 million in PE2021 as compared to a tax credit of approximately SGD12,000 in PE2020. This is a result of the current period tax provision for income tax of a subsidiary in Singapore.

Profit and total comprehensive income for the period

The Group recorded a profit and total comprehensive income for PE2021 of approximately SGD141,000 and SGD19,000 respectively as compared to a loss and total comprehensive loss for PE2020 of approximately SGD1.1 million. The profit for the period was attributable to the combined effects of the decrease in impairment of trade receivables and right-of-use assets and increase in revenue.

USE OF PROCEEDS

The Shares were listed on GEM of the Stock Exchange on 11 October 2019 (the “**Listing Date**”) by way of share offer (the “**Share Offer**”). The actual net proceeds from the Share Offer, after deduction of the professional fees, underwriting commissions and other fees payable by the Company in connection with the listing, were approximately HK\$13.2 million (the “**Net Proceeds**”). As disclosed in the announcement of the Company dated 4 May 2020, the Board has been monitoring the development of the COVID-19 outbreak from time to time to determine the most effective and efficient use of the Net Proceeds and resolved to change the use of Net Proceeds from the Share Offer. For details, please refer to the announcement issued by the Company dated 4 May 2020.

As at 30 June 2021, all Net Proceeds has been utilised. Details of the use of the Net Proceeds are as follows:

Use of the Net Proceeds	Original allocation (HK\$ million)	Revised allocation of Net Proceeds as at 4 May 2020 (HK\$ million)	Unutilised Net Proceeds up to 31 December 2020 (HK\$ million)	Utilised	Unutilised Net Proceeds up to 30 June 2021 (HK\$ million)
				Net Proceeds during the six months ended 30 June 2021 (HK\$ million)	
Expanding servicing capacity	5.5	–	–	–	–
Grow rental fleet	3.9	1.8	–	–	–
Strengthen service capabilities and operating efficiencies	2.3	2.3	0.9	0.9	–
Brand building	0.2	0.2	0.2	0.2	–
General working capital	1.3	8.9	–	–	–
	13.2	13.2	1.1	1.1	–

LIQUIDITY, FINANCIAL RESOURCES

As at 30 June 2021, the cash and cash equivalents were approximately SGD3.6 million (31 December 2020: SGD3.3 million). The working capital (current assets less current liabilities) and total equity of the Group were approximately SGD1.9 million and SGD12.0 million, respectively.

As at 30 June 2021, the Group's bank borrowings with maturity within one year amounted to approximately SGD0.10 million (31 December 2020: SGD0.2 million).

The gearing ratio of the Group, which was defined as total debt divided by total equity, was approximately 0.6 as at 30 June 2021 (31 December 2020: 0.7). Total debt includes all bank borrowings and lease liabilities. The net debt to equity of the Group, which was defined as total debt net of cash and cash equivalents divided by total equity, were 0.3 as at 30 June 2021 (31 December 2020: 0.4). The decrease was mainly due to the decrease in total debt and an increase in total equity during the period.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations are subject to certain risks and the major ones that may have a material and adverse effect on the Group's business, financial conditions and results of operations are as follow. In addition, the Group's activities are exposed to a variety of financial risks including, currency risk, credit risk, liquidity risk and interest rate risk.

Principal Risks Identified	Description of the Principal Risks Identified	Mitigation of Risks
<p>The Group's revenue is mainly derived from Singapore and the Group's sales performance is susceptible to changes in Singapore as well as the Singapore Government policies, and its financial, social and economic environment.</p>	<p>The Group's local sales performance is susceptible to the following: The Group is subjected to the Singapore Government policies. In Singapore, the Government recently established a regulation to limit and tighten the Certificate of Entitlement quota by only replacing the number of de-registered vehicles on the road at most. Hence, with lesser number of vehicles on the road, the demand of our after-market automotive services may be materially and adversely affected. Moreover, the Group is reliant on a constant supply of experienced and skilled staff, such as service advisors and technicians. Of which, a large number of them are not Singapore citizens. Hence, if there are any unfavourable changes towards Singapore's manpower policies, the supply or labour cost of such foreign workers may be affected, and thus affecting our business operations and profitability.</p>	<p>The Group has diversified its business into several service lines. For example, the loss in demand on after-market automotive services may gain from other service lines, such as car rental service and automotive supply service. In addition, the Group has and will continue to diversify its business outside of Singapore in order to minimize its reliance on the Singapore market.</p>

Principal Risks Identified	Description of the Principal Risks Identified	Mitigation of Risks
<p>Competition from other service centers, including those operated by car dealers and from other car rental companies could adversely affect the Group's operating results and financial performance if they decide to expand their service centres or lower the prices charged for the services.</p>	<p>In addition, social issues like the outbreak of the COVID-19 and the corresponding social measures put forth by the Singapore government, may lead to a decrease in the number of road users and hence a decrease in the demand for our rental or aftermarket services. In summary, any changes or developments in the economic, financial or social conditions in Singapore, which are outside our control, may affect the demand for our services and if there are any material adverse changes, our business and profitability may be materially and adversely affected.</p> <p>As the Singapore's passenger car inspection, maintenance and repair services industry is highly fragmented, the Group faces competition, in various aspects, such as number of service centres, convenience of the location of service centres, pricing, range of services and service quality, from other service centres, including those operated by car dealers. Similarly, competition among car rental companies is primarily based on, among other things, fleet size, brand recognition, price, variety and condition of the vehicles, variety of service offerings and quality of customer service. Hence, if other service centres or car rental companies expand their businesses or lower their prices, we may not be competitive against these competitors and may suffer from a decline in the demand for our services and our operating results and business performance may be materially and adversely affected.</p>	<p>The Group will continue to strengthen our services and product offerings while keeping abreast of potential competitor's pricing and strategies. We believe that if we continue to deliver value added and high quality customer services, we will be able to ensure higher customer retention in the long run.</p>

Principal Risks Identified	Description of the Principal Risks Identified	Mitigation of Risks
<p>The Group placed reliance on its cooperation with a sole Insurer to provide after-market automotive services to customers who participate in the Insurer’s motor warranty programme.</p>	<p>Any decrease or loss of business from the sole insurer or any adverse change (such as termination/replacement) in the Group’s business relationship with the sole insurer could adversely and substantially affect the Group’s operations, financial performance and expansion plans.</p>	<p>The Group has entered into an Exclusive Service Agreement with the sole insurer to act as its exclusive service provider for an exclusive period of six years commencing on 1 January 2017 to ensure long term business viability. Three months before the expiry of the term, both parties will hold discussion for the service agreement renewal. In addition, the exclusivity period may be extended by mutual consent at any time. Hence, the Group will facilitate the renewal or locate other insurer upon the expiry of the agreement.</p>
<p>Over-reliance on suppliers in supplying the car spare parts and accessories.</p>	<p>The Group does not manufacture any spare parts and accessories which we use and distribute. We purchase all spare parts and accessories from our suppliers. As such, if our suppliers significantly increase the prices of the products we require or terminate any rebate arrangement with us, we may not be able to find comparable alternative suppliers in a timely manner with similar price point. Moreover, shortages or delays in the supply of passenger car spare parts, accessories and consumables to the extent that we cannot procure them on acceptable terms from other sources in time will adversely affect our sales, profitability and customer relations. In addition, if there is any defect in such products, this may damage our reputation or the reputation of a particular supplier, and/or cause a disruption in supply. All of which may adversely affect our business and operations.</p>	<p>The Group engages with multiple suppliers to ensure that if one supplier channel is down, we will have other suppliers to purchase similar parts from. In addition, the Group engages in reviewing our suppliers at least once a year based on their price competitiveness, quality assurance, responsiveness and credibility.</p>

CAPITAL STRUCTURE

The Shares were successfully listed on GEM of the Stock Exchange on 11 October 2019. There has been no change in the capital structure of the Group since then to the date of this report. The capital structure of the Group only comprises ordinary Shares.

As at 30 June 2021, the Company's issued share capital was HK\$8,500,000, and the number of its issued ordinary Shares was 850,000,000 of HK\$0.01 each.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus has maintained a healthy liquidity position throughout the six months ended 30 June 2021. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. 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 other commitments can meet its funding requirements from time to time.

FOREIGN EXCHANGE EXPOSURE

The Group's income and expenditure during the six months ended 30 June 2021 were principally denominated in Singapore dollar and Chinese yuan, and most of the assets and liabilities as at 30 June 2021 were denominated in Singapore dollar. The Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in the exchange rate, and no hedging transaction or forward contract arrangement was made by the Group during the six months ended 30 June 2021.

CAPITAL COMMITMENTS

As at 30 June 2021, the Group has no capital commitments contracted but not provided for (31 December 2020: nil).

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business objectives as set out in the Prospectus with the Group's actual business progress for the period from 1 January 2021 up to 30 June 2021:

Business Objectives up to 30 June 2021 as set out in the Prospectus

Expanding servicing capacity

Strengthening service capabilities and operating efficiencies

Brand building through strengthening relationships with existing customers and expanding customer base

Actual implementation plan up to 30 June 2021

In view of the impact of the COVID-19 pandemic on the economy of Singapore, the Directors have suspended the plans for expanding the servicing capacity.

Due to the delay in setting up of the new service centre, the planned recruitment of employees for the new service centre has been suspended. The Group will continue to retain sufficient experienced employees and identify talented candidate to improve the value of the Group's human resources. In addition, the Group has suspended its plans related to its bulk purchasing strategy but in order to control its costs, the Group has identified some parts and accessories to purchase in bigger quantities for cost efficiencies.

The upgrading of information technology and equipment were limited to expenditure on critical equipment and software to ensure smooth running of the operations.

During the period under review, the Group has continued to expand the fleet servicing programme, however most of its brand building programs or activities were suspended due to COVID-19.

Principal risks and uncertainties in achieving our business strategies

During the six months ended 30 June 2021, the Group faced certain risks and uncertainties in achieving our business strategies in accordance with the use of proceeds plan as set out in the Prospectus as follows:

- (1) The Group may fail to expand its customer base or find suitable locations to achieve our expansion plans;
- (2) When achieving our business plans, timing is of the essence. The Group may fail to grasp the business trend to determine the optimal time to hit the market; and
- (3) In an increasingly volatile and complex business environment, the Group may face change of consumer behavior and high competition when we launch our business plan.

In order to alleviate the above risks and uncertainties in achieving our business strategies, we will ensure that our business plans are as resilient as possible to meet these challenges based on the then market conditions. We will carefully look at the business trends as well to determine if there is a strong entrepreneurial environment for us to lean on.

The Directors regularly evaluate the Group's business objective and may change or modify plans against the changing market conditions to ascertain the business growth of the Group. Accordingly, we will make further announcement as and when necessary if there is any such change or modification of plans.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2021, the Group's bank borrowings were secured by a corporate guarantee from the Company; lease liabilities of motor vehicles were secured by a corporate guarantee from the Company and the underlying assets.

CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any significant contingent liabilities or outstanding guarantees in respect of payment obligations to any third parties (31 December 2020: Nil).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the six months ended 30 June 2021, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries and affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus, the Group does not have other plans for material investments and capital assets.

HUMAN RESOURCES

As at 30 June 2021, the Group had 122 employees (31 December 2020: 96 employees) with total staff cost of approximately SGD2.4 million incurred for the six months ended 30 June 2021 (31 December 2020: SGD4.2 million). As required by the applicable laws and regulations, the Group participates in the Central Provident Fund prescribed by the Central Provident Fund Act (Chapter 36 of the laws of Singapore) and have made the relevant contributions in accordance with the aforesaid laws and regulations. Save as the aforesaid, we have not participated in any other pension scheme(s). The Group's remuneration policy rewards employees and Directors based on individual performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance. We did not experience any material labour disputes during the six months ended 30 June 2021.

Change of Directors

With effect from 25 February 2021, Mr. Ong Kar Loon (Wang Jialun) has resigned as an independent non-executive Director of the Company in order to devote more time to his personal affairs and other business commitments. He has confirmed that he has no disagreement with the Board and there are no other matters in relation to his resignation that needs to be brought to the attention of the Stock Exchange or the shareholders of the Company.

On the same date, Mr. Chang Li-Chung has been appointed as an independent non-executive Director of the Company to replace Mr. Ong Kar Loon (Wang Jialun).

For details, please refer to the announcement issued by the Company dated 25 February 2021.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 June 2021, the interests and short positions of the Directors and the chief executive of the Company or any of their respective associates 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 (the "SFO") which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

Long Positions	As at 30 June 2021		
	Capacity/ Nature of Interest	Number of Shares held	Approximate percentage of Shareholding ⁽¹⁾
Mr. Ang Lay Keong (Hong Liqiang) ("Mr. Ang") ⁽²⁾	Interest in controlled corporation	378,798,000	44.56%
Ms. Lim Li Ling (Lin Liling) ("Ms. LL Lim") ⁽³⁾	Interest of spouse	378,798,000	44.56%
Mr. Hu Wu'an	Beneficial owner	7,880,000	0.93%

Notes:

- (1) The percentage has been compiled based on the total number of 850,000,000 Shares in issue as at 30 June 2021.
- (2) This represents the Shares held by Red Link International Limited (“**Red Link**”), a company that is beneficially owned by Ms. Lim Fang Fang, Queenie (Lin Fangfang, Queenie) (“**Ms. FF Lim**”) as to 54.70% and Mr. Ang as to 45.30%. Therefore, Mr. Ang and Ms. FF Lim are deemed to be interested in all the Shares held by Red Link under the SFO.
- (3) Ms. LL Lim, one of the executive Directors, is the spouse of Mr. Ang, and is deemed to be interested in all the Shares held by Red Link in which Mr. Ang is deemed to be interested under the SFO.

Save as disclosed above, as at 30 June 2021, none of the Directors or chief executive of the Company nor their associates have interests or short positions in any Shares, underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO) or that are required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 June 2021, the persons (other than Directors or chief executive of the Company) who had interests in the Shares and underlying Shares of the Company within the meaning of Part XV of the SFO which are required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which will be required, pursuant to Section 336 of the SFO, to be entered in the register of the Company were as follows:

Long Positions	As at 30 June 2021		
	Capacity/ Nature of Interest	Number of Shares held	Approximate percentage of Shareholding ⁽¹⁾
Name			
Red Link	Beneficial owner	378,798,000	44.56%
Ms. FF Lim ⁽¹⁾	Interest in a controlled corporation	378,798,000	44.56%
Mr. Ng Chee Keen ⁽²⁾	Interest of spouse	378,798,000	44.56%
Mr. Chee Siew Wee	Beneficial owner	48,702,000	5.73%
Mr. Chong Soo Hoon, Sean	Beneficial owner	48,450,000	5.70%

Notes:

- (1) The percentage has been compiled based on the total number of 850,000,000 Shares in issue as at 30 June 2021.
- (2) This represents the shares held by Red Link, a company that is beneficially owned Ms. FF Lim as to 54.70%. Therefore, Ms. FF Lim is deemed to be interested in all the Shares held by Red Link under the SFO.
- (3) Mr. Ng Chee Keen is the spouse of Ms. FF Lim and is deemed to be interested in all the Shares held by Red Link in which Ms. FF Lim is deemed to be interested under the SFO.

Save as disclosed above, as at 30 June 2021, the Directors are not aware of any other person (other than the Directors or chief executive of the Company as disclosed in the section headed “Directors’ and chief executive’s interests and short positions in Shares and underlying Shares and debentures of the Company and its associated corporations” above) who have or are deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or are recorded in the register required to be kept by the Company under section 336 of the SFO.

COMPETING INTERESTS

For the six months ended 30 June 2021, none of the Directors or the controlling shareholders of the Company or their close associates (as defined in the GEM Listing Rules) was interested in any business which competes or may compete, either directly or indirectly, with the Group’s business nor did they have any other conflicts of interest with the Group.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2021.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 18 September 2019 (the “**Share Option Scheme**”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

Unless otherwise cancelled or amended, The Share Option Scheme will remain in force for a period of 10 years commencing on 18 September 2019. No share option has been granted since the adoption of the Share Option Scheme and there is no share option outstanding as at 30 June 2021. An option may be accepted within 21 days from the date of offer. A sum of HK\$1.00 shall be payable on acceptance. Unless otherwise determined by the Directors and stated in the offer for the grant of options to the grantee, there is no minimum holding period before it can be exercised. The maximum entitlement of each participant and the exercise price shall be in accordance with the GEM Listing Rules. Details of the Share Option Scheme are set out in the paragraph headed “Statutory and General Information – 4. Share Option Scheme” in Appendix IV to the Prospectus.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Saved as disclosed in the paragraphs headed “Directors’ and chief executive’s interests and short positions in Shares, underlying Shares and debentures of the Company or any associated corporations” and “Share Option Scheme” above, at no time during the six months ended 30 June 2021 and up to the date of this report did the Directors and the chief executive of the Company or their respective associates (as defined under the GEM Listing Rules) have any interest in or exercise, or had been granted, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above, at no time during the six months ended 30 June 2021 was the Company or any of its subsidiaries, associated companies, fellow subsidiaries or holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by Directors on terms as required by Rules 5.48 to 5.67 of the GEM Listing Rules (“**Required Standard of Dealings**”). The Company had made specific enquiries with written guidelines in relation to the Required Standard of Dealings to all Directors, all Directors have confirmed that they complied with the required standards set out in the Required Standard of Dealings for the six months ended 30 June 2021 and up to the date of this report.

CORPORATE GOVERNANCE PRACTICES

The Company considers the maintenance of a high standard of corporate governance important to the continuous growth of the Group. The Company's corporate governance practices are based on code provisions as set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix 15 of the GEM Listing Rules. Other than the deviation from code provision A.2.1, the Company has since then adopted and complied with, where applicable, the CG Code to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner.

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, we do not have a separate chairman and chief executive officer and Mr. Ang is currently performing these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Save as disclosed above, the Directors consider that throughout the period from the Listing Date to the date of this report, the Company has applied the principles and complied with all the applicable code provisions set out in the CG Code.

INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Orient Capital (Hong Kong) Limited ("**Orient Capital**") as our compliance adviser. Save for the compliance adviser service agreement entered into between the Company and Orient Capital dated 28 June 2018, none of Orient Capital or its directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the Group as at 30 June 2021, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review the Company's financial information and oversee the Company's financial reporting system, risk management and internal control procedures. The full terms of reference setting out details of duties of the Audit Committee are in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company.

The Audit Committee currently comprises of three independent non-executive directors, namely, Mr. Chu Kin Ming ("**Mr. Chu**"), Ms. Tan Meng Choon and Mr. Chang Li-Chung. The chairman is Mr. Chu, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The interim results of the Group for the six months ended 30 June 2021 have not been audited. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2021 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 had been made.

DIVIDEND

The Board did not recommend the payment of any interim dividend in respect of the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2021 and up to the date of this report.

APPRECIATION

On behalf of the Board, I would like to deeply thank our shareholders, business partners and customers for their continuous support to the Group. I would also express my gratitude and appreciation to all the Directors, management and staff for their hard work and dedication throughout the period.

By Order of the Board
Optima Automobile Group Holdings Limited
Ang Lay Keong (Hong Liqiang)
Chairman and Executive Director

Singapore, 11 August 2021

As at the date of this report, the executive Directors are Mr. Ang Lay Keong (Hong Liqiang), Ms. Lim Li Ling (Lin Liling), Mr. Goh Duo Tzer (Wu Duoze), Ms. Nie Li, Ms. Lin Xiaojuan and Mr. Hu Wu'an, the independent non-executive Directors are Mr. Chu Kin Ming, Ms. Tan Meng Choon and Mr. Chang Li-Chung.

* *For identification purposes only.*