



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
Report**
2022



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-Executive Directors

Mr. Chu Kin Ming
Ms. Tan Meng Choon
(Resigned on 30 June 2022)
Ms. Yi Jing
(Appointed on 30 June 2022)
Mr. Chang Li-Chung

AUDIT COMMITTEE

Mr. Chu Kin Ming (*Chairman*)
Ms. Tan Meng Choon
(Resigned on 30 June 2022)
Ms. Yi Jing
(Appointed on 30 June 2022)
Mr. Chang Li-Chung

REMUNERATION COMMITTEE

Ms. Tan Meng Choon (*Chairlady*)
(Resigned on 30 June 2022)
Ms. Yi Jing (*Chairlady*)
(Appointed on 30 June 2022)
Mr. Chu Kin Ming
Mr. Chang Li-Chung

NOMINATION COMMITTEE

Mr. Chang Li-Chung (*Chairman*)
Mr. Ang Lay Keong (Hong Liqiang)
Ms. Tan Meng Choon
(Resigned on 30 June 2022)
Ms. Yi Jing (Appointed on 30 June 2022)

COMPLIANCE OFFICER

Mr. Goh Duo Tzer (Wu Duoze)

COMPANY SECRETARY

Ms. Xu Jiayuan, *CPA*

AUTHORISED REPRESENTATIVES

Mr. Goh Duo Tzer (Wu Duoze)
Ms. Xu Jiayuan, *CPA*

AUDITORS

BDO Limited
Certified Public Accountants
*(Public Interest Entity Auditor registered
in accordance with the Financial
Reporting Council Ordinance)*
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

COMPLIANCE ADVISER

Luk Fook Capital (HK) Limited
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PRINCIPAL BANKERS

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Marina Bay Financial Centre Tower 3
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United Overseas Bank Limited
80 Raffles Place
UDB Plaza 1, #07-01
Singapore 048624

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong
(ceased to have effect from 15 August 2022)

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
(with effect from 15 August 2022)

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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Alexandra Industrial Estate
Singapore 159143

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 601, 6/F
Ovest, 77 Wing Lok Street
Sheung Wan, Hong Kong

STOCK CODE

8418

COMPANY'S WEBSITE ADDRESS

www.ow.sg

INTERIM RESULTS

The board of Directors (the “**Board**”) is pleased to 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 2022 with comparative figures for the corresponding periods in 2021 as follows:

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

For the three months and six months ended 30 June 2022

	Notes	Three months ended 30 Jun		Six months ended 30 Jun	
		2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
Revenue	3	22,847	8,410	41,932	14,799
Other income and gains	4	418	184	531	353
Items of expenses					
Change in trading inventories		(18,367)	(4,670)	(33,369)	(7,344)
Cost of materials used		(1,429)	(1,159)	(2,691)	(2,149)
Marketing and advertising expenses		(87)	(91)	(194)	(245)
Employee benefit expenses		(1,476)	(1,241)	(2,946)	(2,414)
Depreciation of property, plant and equipment		(262)	(91)	(488)	(171)
Depreciation of right-of-use assets		(635)	(641)	(1,293)	(1,268)
Amortisation of intangible assets		(24)	(4)	(48)	(4)
Impairment of trade receivables		(5)	(2)	(16)	(19)
Reversal of impairment of trade receivables		-	215	-	215
Reversal of impairment of other receivables		41	-	41	-
Finance costs	5	(129)	(82)	(237)	(167)
Short-term lease expenses		(16)	(1)	(31)	(13)
Other expenses	6	(958)	(572)	(1,717)	(1,071)
Share of results of a joint venture		-	(23)	-	(58)
Share of results of an associate		19	(121)	79	(128)
(Loss)/Profit before income tax expense		(63)	111	(447)	316
Income tax expense	7	(79)	(86)	(110)	(175)
(Loss)/Profit for the period	6	(142)	25	(557)	141

Notes	Three months ended 30 Jun		Six months ended 30 Jun	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 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	(81)	(9)	(67)	(9)
Share of other comprehensive income of an associate	(16)	(83)	(13)	(113)
Other comprehensive income for the period, net of tax	(97)	(92)	(80)	(122)
(Loss)/Profit and total comprehensive income for the period, net of tax	(239)	(67)	(637)	19
(Loss)/Profit attributable to:				
Owners of the Company	(62)	48	(388)	164
Non-controlling interests	(80)	(23)	(169)	(23)
	(142)	25	(557)	141
Total comprehensive income attributable to:				
Owners of the Company	(124)	(44)	(441)	42
Non-controlling interests	(115)	(23)	(196)	(23)
	(239)	(67)	(637)	19
(Losses)/Earnings per share – Basic and diluted (SGD cents)	(0.01)	0.01	(0.05)	0.02

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	30-Jun-22 SGD'000 (Unaudited)	31-Dec-21 SGD'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	3,734	4,292
Right-of-use assets	11	10,487	9,106
Intangible assets	12	351	403
Interest in joint venture	13	–	–
Interest in associate	14	1,836	1,827
Deposits	15	193	194
Prepayment for purchase of fixed assets	15	177	62
Total non-current assets		16,778	15,884
Current assets			
Inventories		2,385	2,195
Trade and other receivables	15	7,582	5,198
Cash and Cash equivalents		5,121	4,494
Total current assets		15,088	11,887
Current liabilities			
Trade and other payables	16	10,278	6,708
Lease liabilities	11	2,992	2,978
Bank borrowings	17	1,094	569
Current tax liabilities		379	568
Total current liabilities		14,743	10,823
Net current assets		345	1,064
Total assets less current liabilities		17,123	16,948

	Notes	30-Jun-22 SGD'000 (Unaudited)	31-Dec-21 SGD'000 (Audited)
Non-current liabilities			
Lease liabilities	11	3,780	2,332
Bank borrowings	17	3,306	3,931
Deferred tax liabilities		51	62
Total non-current liabilities		7,137	6,325
Net assets		9,986	10,623
Equity			
Share capital		1,497	1,497
Non-controlling interest		531	727
Reserves		7,958	8,399
Total equity		9,986	10,623

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Share capital	Share premium	Merger reserve	Other reserve	Accumulated losses	Foreign currency exchange reserve	Total	Non-controlling interests	Total
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Balance as at 1 January 2022 (audited)	1,497	7,187	2,645	(103)	(719)	(611)	9,896	727	10,623
Loss for the period	-	-	-	-	(388)	-	(388)	(169)	(557)
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	(40)	(40)	(27)	(67)
Share of other comprehensive income of an associate	-	-	-	-	-	(13)	(13)	-	(13)
Total other comprehensive income for the period	-	-	-	-	-	(53)	(53)	(27)	(80)
Balance as at 30 June 2022 (unaudited)	1,497	7,187	2,645	(103)	(1,107)	(664)	9,455	531	9,986
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 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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
Net Cash generated from operating activities	1,750	2,181
Net cash generated from/(used) in investing activities	937	(2,206)
Net cash (used in)/generated from financing activities	(1,985)	267
Net increase in cash and cash equivalents	702	242
Cash and cash equivalents at the beginning of period	4,494	3,331
Effect of exchange rate changes on cash and cash equivalents	(75)	-
Cash and cash equivalents at end of period	5,121	3,573
Analysis of balances of cash and cash equivalents		
Cash at banks and on hand	5,121	3,573

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Optima Automobile Group Holdings Limited (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, Cayman Islands. The headquarters and the principal place of business in Singapore is located at 6 Kung Chong Road, Alexandra Industrial Estate, Singapore 159143. On 11 October 2019, the Company’s shares (the “**Shares**”) were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company and its subsidiaries are together referred to as the Group hereinafter. The principal activity of the Company is investment holding. The Group is principally engaged in (i) the provision of a comprehensive range of after-market automotive services, with a focus on inspection, maintenance and repair services; (ii) offering short-term and long-term car rental services; (iii) supplying passenger car spare parts, accessories and automotive equipment to customers in Singapore and overseas countries and automobiles to customers in China; and (iv) engaging in education business services, which include data collection and provision of management platform services. As at 30 June 2022, the immediate holding company of the Company was Red Link International Limited, a limited liability company incorporated in the British Virgin Islands. The Directors considered the ultimate holding company to be Red Link International Limited.

2. BASIS OF PRESENTATION AND PREPARATION

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 Rules Governing the Listing of Securities on GEM of the Stock Exchange.

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 the PRC. 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 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. Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed. If, after reassessment, the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss. 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 capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

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 agreement.

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

3. REVENUE

	Three months ended 30 Jun		Six months ended 30 Jun	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15				
Service income	2,935	2,897	5,935	5,746
Warranty income	299	137	442	242
Automotive supply income	18,538	4,781	33,674	7,566
Education business service income	205	–	207	–
Revenue from other sources				
Car rental income	870	595	1,674	1,245
	22,847	8,410	41,932	14,799
Disaggregation by timing of revenue recognition				
Over time	3,232	3,034	6,377	5,988
Point in time	18,745	4,781	33,881	7,566
	21,977	7,815	40,258	13,554

The Group has four 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 – trading of motor vehicles and supply of passenger car spare parts, accessories and automotive equipment
- Education business services – data collections and provision of management platform service

4. OTHER INCOME AND GAINS

	Three months ended 30 Jun		Six months ended 30 Jun	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
Government grants (Note)	63	60	139	172
Gain on disposal of PPE	107	-	113	-
COE and PARF encashment	20	-	51	-
Rental rebates	-	-	-	56
Sponsorship	186	-	186	-
Gain on acquisition of subsidiary	-	93	-	93
Others	42	31	42	32
	418	184	531	353

Note:

There were no unfulfilled conditions and other contingencies attaching to government grants for income recognised during the period ended 30 June 2022 and 2021.

5. FINANCE COSTS

	Three months ended 30 Jun		Six months ended 30 Jun	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
Interest element of lease liabilities	65	60	120	133
Interest on bank borrowings	28	12	56	20
Interest on short-term loans wholly repayable within 1 year	36	10	61	14
	129	82	237	167

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

(Loss)/Profit before income tax expense is arrived at after charging:

	Three months ended 30 Jun		Six months ended 30 Jun	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
Auditor's remuneration	43	17	69	35
Depreciation of property, plant and equipment	262	91	488	171
Depreciation of right-of-use assets	635	641	1,293	1,268
Employee benefit expenses (including director's emoluments)				
– Salaries, allowances and other benefits	1,367	1,136	2,705	2,222
– Contribution to defined contribution retirement plan	109	105	241	192
– Total	1,476	1,241	2,946	2,414
Amortisation of intangible assets	24	4	48	4
Impairment of trade receivables	5	2	16	19
Reversal of impairment of trade receivables	–	(215)	–	(215)
Reversal of impairment of other receivables	(41)	–	(41)	–
Short-term lease expenses	16	1	31	13

	Three months ended 30 Jun		Six months ended 30 Jun	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
Other expenses				
– Utilities expense	22	18	42	36
– Cost of services	85	47	152	112
– Vehicle insurance and road tax	191	81	368	172
– Vehicle maintenance and upkeep	32	34	58	52
– Maintenance costs	31	41	73	77
– Merchant fees and bank charges	53	46	112	93
– Office-related expenses	81	68	159	101
– Professional and legal fees	199	196	386	352
– Telecommunication expenses	15	10	25	17
– Refreshments	–	1	1	2
– Research expenses	234	–	297	–
– Other operating expenses	15	30	44	57
Total	958	572	1,717	1,071

7. INCOME TAX EXPENSE

	Three months ended 30 Jun		Six months ended 30 Jun	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
PRC				
Current tax				
– Current period	19	–	32	–
Singapore				
Current tax				
– Current period	72	86	90	175
PRC				
Deferred tax credit				
– Over provision in respect of prior periods	(12)	–	(12)	–
Total	79	86	110	175

Singapore profits tax is calculated at 17% on the estimated assessable profits arising in Singapore for the year ended 30 Jun 2022 (six months ended 30 Jun 2021: 17%).

Taxes on profits assessable elsewhere have been calculated at the rates prevailing in the relevant jurisdictions for the years ended 30 Jun 2022 and 2021.

8. DIVIDENDS

The Board did not recommend the payment of any dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

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

	Three months ended 30 Jun		Six months ended 30 Jun	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 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	(62)	48	(388)	164
Weighted average number of ordinary shares in issue	850,000,000	850,000,000	850,000,000	850,000,000
Basic and diluted (losses)/earnings per share (SGD cents)	(0.01)	0.01	(0.05)	0.02

Note:

For the period ended 30 June 2022, 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 (2021: 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 2022 and 2021.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired plant and equipment of approximately SGD0.9 million, most of which are motor vehicles. In the six months ended 30 June 2021, the Group acquired property, plant and equipment of approximately SGD0.7 million of which SGD0.5 million was acquired through the acquisition of a subsidiary. The Group disposed plant and equipment of approximately SGD0.3 million (six months ended 30 June 2021: Nil). There is no write off of plant and equipment for the six months ended 30 June 2022 and 30 June 2021.

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 2022 (audited)	7,096	2,010	9,106	5,310
Lease commencement	1,225	504	1,729	3,430
Depreciation expenses	(643)	(650)	(1,293)	-
Reclassification to property, plant and equipment	(1,369)	-	(1,369)	-
Reclassification from property, plant and equipment	2,314	-	2,314	-
Interest expense	-	-	-	120
Payments	-	-	-	(2,089)
Currency realignment	-	-	-	1
As at 30 June 2022 (unaudited)	8,623	1,864	10,487	6,772
As at 1 January 2021 (audited)	7,371	3,054	10,425	7,005
Lease commencement	2,065	240	2,305	1,885
Depreciation expenses	(1,258)	(1,281)	(2,539)	-
Reclassification to property, plant and equipment	(1,414)	-	(1,414)	-
Lease modification	-	(3)	(3)	(3)
Reversal of impairment	396	-	396	-
Disposal	(64)	-	(64)	-
Interest expense	-	-	-	245
Payments	-	-	-	(3,822)
As at 31 December 2021 (audited)	7,096	2,010	9,106	5,310

The Group recognised rent expenses from short-term leases of SGD31,000 (six months ended 30 June 2021: SGD13,000) in profit or loss for the six months ended 30 June 2022.

During the six months ended 30 June 2022, 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, no impairment loss (six months ended 30 June 2021: nil) was recognised in profit or loss for the six months ended 30 June 2022.

The remaining contractual maturities of the Group's lease liabilities as at 30 June 2022 and 31 December 2021 are as follows:

	As at 30 June 2022		As at 31 December 2021	
	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 (Unaudited)	Total minimum lease payments SGD'000 (Unaudited)
Within 1 year	2,992	3,101	2,978	3,128
After 1 year but within 2 years	1,345	1,451	1,422	1,477
After 2 year but within 5 years	2,336	2,448	910	946
After 5 years	99	101	-	-
	3,780	4,000	2,332	2,423
	6,772	7,101	5,310	5,551
Less: total future interest expense		(329)		(241)
Present value of lease liabilities		6,772		5,310

12. INTANGIBLE ASSETS

	Software development system SGD'000
Cost	
At 1 January 2022 (audited)	465
Addition for the period	
Exchange realignment	(3)
<hr/>	
As at 30 June 2022 (unaudited)	462
<hr/>	
Accumulated depreciation	
At 1 January 2022 (audited)	62
Addition for the period	48
Exchange realignment	1
<hr/>	
As at 30 June 2022 (unaudited)	111
<hr/>	
Net carrying amount	
As at 30 June 2022	351
<hr/>	
Cost	
At 1 January 2021 (audited)	–
Acquisition of a subsidiary	462
Exchange realignment	3
<hr/>	
As at 31 December 2021 (audited)	465
<hr/>	
Accumulated depreciation	
At 1 January 2021 (audited)	–
Addition for the period	62
Exchange realignment	–
<hr/>	
As at 31 December 2021 (audited)	62
<hr/>	
Net carrying amount	
As at 31 December 2021 (audited)	403
<hr/>	

As at 30 June 2022 and 31 December 2021, the Group's intangible assets included software development system with net carrying amount of SGD351,000 and SGD403,000 respectively and will be fully amortised in approximately in 3.8 years (31 December 2021: 4.3 years).

13. INTERESTS IN A JOINT VENTURE

	30 June 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
Share of net assets other than goodwill	–	–

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
			2022	2021	
Absolute By Optima Werkz (Thailand) Co., Ltd. (Note)	Thailand	BAHT 12,000,000	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 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
Current assets	903	903
Non-current assets	1,444	1,444
Current liabilities	(627)	(627)
Non-current liabilities	(2,174)	(2,174)
	(454)	(454)
Reconciliation to the Group's interest in a joint venture:		
Proportion of the Group's ownership	40%	40%
Group's share of net assets of the joint venture (excluding goodwill)	-	-
Carrying amount of interest in the joint venture	-	-

	30 June 2022 SGD'000 (Unaudited)	30 June 2021 SGD'000 (Unaudited)
Revenue	–	536
Loss for the period	–	(558)
Other comprehensive income for the period	–	(32)
Total comprehensive income for the period	–	(590)

The joint venture had no significant contingent liabilities or capital commitments as at 30 June 2022 and 31 December 2021.

14. INTERESTS IN AN ASSOCIATE

	30 June 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
Cost of unlisted investment in an associate		
Share of net assets other than goodwill	435	426
Goodwill	1,491	1,491
Impairment loss	(90)	(90)
	1,836	1,827

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

	30 June 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
At the beginning of period	1,827	2,642
Share of net result of an associate	79	37
Share of other comprehensive income	(13)	(613)
Impairment loss	-	(90)
Dividend	(57)	(149)
	1,836	1,827

Particulars of joint venture of the Group at 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
			2022	2021	
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 joint venture, adjusted for any difference in accounting policies, is presented below:

	Optima Werkz Myanmar Services Co., Ltd.	
	30 June 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
Current assets	441	498
Non-current assets	1,668	1,401
Current liabilities	(7)	(19)
Non-current liabilities	(859)	(665)
	1,243	1,215
Reconciliation to the Group's interest in a joint venture:		
Proportion of the Group's ownership	35%	35%
Group's share of net assets of the joint venture (excluding goodwill)	435	426
Goodwill	1,491	1,491
Impairment loss	(90)	(90)
Carrying amount of interest in the joint venture	1,836	1,827

	30 June 2022 SGD'000 (Unaudited)	30 June 2021 SGD'000 (Unaudited)
Revenue	1,039	978
Profit/(Loss) for the period	227	(367)
Other comprehensive income for the period	(38)	(323)
Total comprehensive income for the period	189	(690)

The associate had no significant contingent liabilities or capital commitments as at 30 June 2022 and 31 December 2021.

15. TRADE AND OTHER RECEIVABLES

	30 June 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
Trade receivables (Note (a))	2,533	2,019
Less: impairment	(783)	(767)
Trade receivables, net (Note (a))	1,750	1,252
Contract assets	409	169
Deposits, prepayment and other receivables (Note (b))	5,793	4,033
	7,952	5,454
Categorised as:		
Current portion	7,582	5,198
Non-current portion	370	256
	7,952	5,454

Notes:

- (a) As at 30 June 2022, included in trade receivables represented lease receivables arising from car rental business amounted to SGD91,000 (2021: SGD125,000).
- (b) As at 31 December 2021, included in other receivables represented the gross carrying amount of RMB3,500,000 (equivalent to approximately SGD746,000 due from a related party, spouse of a director of a subsidiary. The amounts due were unsecured, interest-free and repayable on demand. The maximum balance during the year ended 31 December 2021 was RMB3,500,000 (equivalent to approximately SGD746,000). During the year ended 31 December 2021, an additional impairment loss of SGD24,000 had been provided for the amounts due from a related party under other receivables, which was assessed based on expected credit losses model under general approach.

As at 30 June 2022, the amounts have been fully repaid and subsequently the impairment loss has been fully written back.

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 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
Within 30 days	878	481
31-60 days	183	169
61-90 days	287	110
91-180 days	118	163
181-365 days	83	249
Over 365 days	201	80
	1,750	1,252

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

	30 June 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
Neither past due nor impaired	482	244
Past due but no impaired		
Less than 60 days	663	431
61-90 days	231	102
91-180 days	101	163
181-365 days	71	250
Over 365 days	202	62
	1,268	1,008
	1,750	1,252

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 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
At beginning of period	767	1,066
Allowance of impairment	16	20
Reversal of impairment	–	(302)
Write off against allowance	–	(17)
At end of period	783	767

Impairment of trade receivables

As at 30 June 2022, total allowance of SGD727,000 (31 December 2021: SGD726,000) 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 SGD56,000 (31 December 2021: SGD41,000) was made against the gross amount of trade receivables as at 30 June 2022. There were no bad debts written off directly to profit or loss of the Group for the six months ended 30 June 2022 and 30 June 2021.

All contract assets and other receivables as at 30 June 2022 and 31 December 2021 were neither past due nor impaired.

16. TRADE AND OTHER PAYABLES

	30 June 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
Trade payables (Note (a))	992	726
Other payables, accruals and deposits received (Note (b))	4,451	4,356
Contract liabilities (Note (c))	4,835	1,626
	10,278	6,708

Notes:

- (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 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
Within 30 days	583	357
31-60 days	340	285
61-90 days	46	63
Over 90 days	23	21
	992	726

(b) As at 30 June 2022 and 31 December 2021, other payables included amounts due to related companies representing loans with principal amount of USD390,000, HKD5,010,000 and RMB5,220,000 (in aggregate equivalent to approximately SGD2,489,000), which were unsecured, interest-bearing at 3% per annum (31 December 2021: 5% per annum) and repayable within one year. The interest payable arising from short-term loans amounted to SGD141,000 as at 30 June 2022 (31 December 2021: SGD106,000). Ms. Nie Li (director of the Company) and Mr. Hu Wu'an (chairman and executive director of the Company) were directors of the related companies, while Ms. Nie Li was a shareholder and Mr. Hu Wu'an was a controlling shareholder of the related companies.

(c) Movements in contract liabilities

	30 June 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
Balance as at beginning of period	1,626	1,142
Increase in contract liabilities as a result of advance payments made by customers	33,468	1,581
Decrease in contract liabilities as a result of recognising revenue during the period	(30,208)	(1,099)
Currency realignment	(51)	2
	4,835	1,626

17. BANK BORROWINGS

	30 June 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
Secured and interest-bearing bank borrowings (Note (i))		
– Bank loans due for repayment within a year	1,094	569
– Bank loans due for repayment after a year (Note (ii))	3,306	3,931
	4,400	4,500
Categorised as:		
Current portion	1,094	569
Non-current portion	3,306	3,931
	4,400	4,500

Notes:

- (i) Bank loans are interest bearing at fixed rates as at 30 June 2022 and 31 December 2021. The interest rates of the Group's bank loans as at 30 June 2022 granted under bank facilities is 2.5% (31 December 2021 from 2.5% to 2.6%).
- (ii) As at 30 June 2022 and 31 December 2021, none of the portion of these bank loans due for repayment after one year contain a repayment on demand clause nor are expected to be settled within one year.
- (iii) As at 30 June 2022 and 31 December 2021, 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 2022 SGD'000 (Unaudited)	31 December 2021 SGD'000 (Audited)
On demand or within one year	1,094	569
More than one year, but not exceeding two years	1,169	1,098
More than two years, but not exceeding five years	2,137	2,833
	4,400	4,500

18. SHARE CAPITAL

	30 June 2022		31 December 2021	
	HKD'000 (Unaudited)	SGD'000 (Unaudited)	HKD'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

There are no significant business acquisition during the period.

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 (i) the provision of a comprehensive range of after-market automotive services, with a focus on inspection, maintenance and repair services; (ii) offering short-term and long-term car rental services; (iii) supplying passenger car spare parts, accessories and automotive equipment to customers in Singapore and overseas countries and automobiles to customers in China; and (iv) engaging in education business services, which include data collection and provision of management platform services. 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.* (湖南傲迪瑪汽車有限公司) 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 Optima Werkz Myanmar Services Co., Ltd. ("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 political situation and 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. As at the date of this report, OWMS has resumed business and the staff has returned to work at the workshop despite that the Myanmar's military continues to rule the country.

The Group's automotive supply income increased by approximately SGD26.1 million for the six months ended 30 June 2022 ("PE2022") to approximately SGD33.7 million as compared to approximately SGD7.6 million for the six months ended 30 June 2021 ("PE2021"). The increase was mainly due to the increase in sales to supply automobile spare parts, accessories, equipment and automobiles to customers in Mainland China for PE2022 as compared to PE2021. The Group's after-market automotive services revenue increased by approximately SGD0.4 million as there was a recovery in PE2022 from the COVID-19 control measures in PE2021 and the car rental business revenue has increased by approximately SGD0.4 million as compared to PE2021. In addition, with the inclusion of a new education business on 29 April 2021, the education business generated revenue of approximately SGD0.2 million in PE2022.

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 and the short-term and long-term rental business in Singapore, increasing its market share in the sales of automobiles, parts and related products in the Mainland China market and seek any feasible business segment expansions, such as biological health, new retail, e-commerce, franchise management etc. which is suitable for the Group's market diversifications into the PRC.

On 29 April 2021, Shenzhen Bainian Health Biotechnology Co., Ltd.* (深圳百年健康生物科技有限公司) ("**Shenzhen Bainian**"), an indirect wholly-owned subsidiary of the Company entered into an agreement with Ms. Lin Aisheng, Ms. Wang Kaiqieng and Mr. Zhou Yian (the "**Vendors**"), pursuant to which, Shenzhen Bainian agreed to acquire and the Vendors 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) ("**Hunan Maliang**") at the total consideration of RMB5,077,840 (the "**Acquisition**"), which has been settled by the Group on 8 May 2021. Upon completion, Hunan Maliang has become an indirect non-wholly owned subsidiary of the Company and the financial results of Hunan Maliang has been consolidated into the financial statements of the Group.

As disclosed in the annual report of the Company for the year ended 31 December 2021, 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 its 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.

In 2021, the Singapore government announced the Singapore Green Plan 2030 where there are various initiatives related to the transportation and automotive industries. This includes the promotion of switching to cleaner-energy vehicles, especially Electric Vehicles ("EV") as this is the most promising clean-energy vehicle technology up to date. To prepare the Group for the new market developments and challenges that come with the new breed of vehicles, the Group will continue to acquire new technology and equipment and upgrade the skills of our vehicle specialists.

FINANCIAL REVIEW

Revenue

The revenue of the Group was approximately SGD41.9 million for PE2022 as compared to approximately SGD14.8 million for PE2021 which was an increase of approximately SGD27.1 million. The increase was mainly attributable to (i) an increase in sales of passenger car spare parts, accessories, automotive equipment and automobiles of approximately SGD26.1 million attributable mainly to related business in Mainland China. (ii) an increase in aftermarket automotive service income of approximately SGD0.4 million. (iii) an increase in car rental income of approximately SGD0.4 million; and (iv) an increase in education business service income of approximately SGD0.2 million arising from the acquisition in PE2021.

Cost of material used and change in trading inventories

In PE2022, the cost of materials used and change in trading inventories increased by approximately SGD26.6 million as from approximately SGD9.5 million in PE2021 to approximately SGD36.1 million in PE2022. This was mainly due to the increase in supply of automobile spare parts, accessories, equipment, and automobiles by related business in Mainland China of approximately SGD25.8 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 decrease in marketing and advertising expenses from approximately SGD245,000 in PE2021 to approximately SGD194,000 in PE2022 was due to a decrease in commission and referral fees paid to third parties offsetted with the increase in advertising expenses for the after-market automotive, car rental and the sales of accessories.

Employee benefit expenses

The employee benefit expenses increased by approximately SGD0.5 million from approximately SGD2.4 million in PE2021 to SGD2.9 million in PE2022. This was due to (i) the inclusion of the subsidiary related to the education business in May 2021, amounting to approximately SGD102,000, (ii) increase in staff incentives of approximately SGD77,000 and overall increase in staff headcount from Singapore and PRC operations.

Depreciation of property, plant and equipment

The increase in depreciation of property, plant and equipment by approximately SGD0.3 million from approximately SGD0.2 million in PE2021 to approximately SGD0.5 million in PE2022 was mainly due to the increase in motor vehicles purchased as compared to PE2021.

Amortisation of intangible assets

The increase in amortisation of intangible assets in PE2022 was due to the inclusion of software development system relating to the education business in May 2021.

Finance costs

The increase in finance costs of approximately SGD70,000 from approximately SGD167,000 in PE2021 to approximately SGD237,000 in PE2022 was due to borrowings drawn in the third quarter of 2021.

Other expenses

The increase in other expenses of approximately SGD0.6 million from approximately SGD1.1 million in PE2021 to approximately SGD 1.7 million in PE2022 was due to the following:

- (i) the increase in vehicle insurance and road tax of approximately SGD0.2 million in PE2022 which was due to higher insurance premium charged by the Group's rental fleet insurance provider coupled with the increase in rental vehicle fleet.
- (ii) the increase in office related expenses of approximately SGD58,000 in PE2022 which was mainly due to the increase in service fee incurred by the acquired PRC subsidiary amounting to SGD20,000 and the overall increase in travelling and transportation expenses.
- (iii) the research expenses amounting to approximately SGD0.3 million in PE2022 relating to manpower costs incurred for the research of education platform business segment which none incurred in PE2021.

Income tax expense

The Group recorded a tax expense of approximately SGD0.1 million in PE2022 as compared to approximately SGD0.2 million in PE2021. This was a result of the current period tax provision for income tax of a subsidiary in Singapore and PRC offsetted with a reversal of deferred tax arising from acquisition of subsidiary in PE2021.

Loss/profit and total comprehensive income for the period

The Group recorded a loss and total comprehensive loss for PE2022 of approximately SGD557,000 and approximately SGD637,000 respectively as compared to a profit and total comprehensive profit for PE2021 of approximately SGD141,000 and approximately SGD19,000 respectively. The loss for PE2022 was attributable to the higher operating costs of the Group, especially the combined effects of the research expenses relating to manpower costs incurred for the research of education platform business segment and the increase in manpower cost.

LIQUIDITY, FINANCIAL RESOURCES

As at 30 June 2022, the cash and cash equivalents were approximately SGD5.1 million (31 December 2021: SGD4.5 million). The working capital (current assets less current liabilities) and total equity of the Group as at 30 June 2022 were approximately SGD0.3 million and approximately SGD10.0 million, respectively.

As at 30 June 2022, the Group's bank borrowings with maturity within one year amounted to approximately SGD1.1 million (31 December 2021: SGD0.6 million).

The gearing ratio of the Group, which was defined as total debt divided by total equity, was approximately 1.4 as at 30 June 2022 (31 December 2021: 1.2). Total debt includes all bank borrowings, interest bearing loans from related company 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 approximately 0.9 as at 30 June 2022 (31 December 2021: 0.7). The increase was mainly due to the increase in total debt and a decrease 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
Transition risk due to Singapore Government's push to phase out Internal Combustion Engine ("ICE") vehicles and have all vehicles run on cleaner energy by 2040	<p>In light of the Singapore's government vision to phase out ICE vehicles and have all vehicles run on cleaner energy by 2040, there is a growing shift towards Electric Vehicles ("EVs") within the local automotive industry. As a result, the Group might face the following challenges if it does not adapt expeditiously:</p> <ol style="list-style-type: none"> 1) Decrease in workshop revenue due to reducing number of servicings and repairs, as EVs has lesser moving parts and may only require a servicing once every year or two; 2) Insufficient number of qualified mechanics to repair EVs; and 3) Difficulty in acquiring new EV technology for diagnostic. 	<p>The Group is looking to mitigate the foreseeable challenges through the following:</p> <ol style="list-style-type: none"> 1) Expanding other local revenue streams like car rental, while diversifying to other industries abroad; 2) Acquiring EVs, installation of EV Chargers and seeking for appointment as Tesla's approved Bodyshop to increase EV handling, training and exposure for staff; and 3) Sourcing for potential partnerships and business opportunities that may arise due to the impending EV revolution.

Principal Risks Identified	Description of the Principal Risks Identified	Mitigation of Risks
Impact on operation performance due to outbreak of infectious disease (i.e. COVID-19)	Given the unpredictability of COVID-19 and possibility of new variants (i.e. omicron), COVID-19 may continue to have lingering or even severe impact on operations performance of the Company. It is difficult to predict the evolution and duration of the pandemic, and the extent of its impact to the Group cannot be reliably quantified or estimated.	The Group is constantly staying abreast on the latest COVID-19 developments in Singapore and China. In addition, the Group has and will continue to establish necessary safety management measures as prescribed by the Singapore and China government to minimise potential COVID-19 disruption to our operations.
Concentrated senior management personnel	The Group heavily relies on the senior personnel in managing the operations, if one or more of the key management personnel is/are unable or unwilling to continue in their present positions, the Group may not be able to identify suitable replacements in a timely manner.	The Group ensures that key personnel are properly remunerated to ensure higher retention rate. Some key personnel are also bound by contact agreement for a minimum period of service. Lastly, the notice period of key personnel are usually at least 2 months or longer so that the Group may be able to find a suitable replacement in a timely manner.

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 2022, 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 2022. 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 2022 were principally denominated in Singapore dollar and Chinese yuan, and most of the assets and liabilities as at 30 June 2022 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 2022.

CAPITAL COMMITMENTS

As at 30 June 2022, the Group has capital commitments contracted but not provided for of approximately SGD1.0 million (31 December 2021: SGD0.4 million).

CHARGE ON GROUP'S ASSETS

As at 30 June 2022, 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, a corporate guarantee from an indirect wholly own subsidiary and the underlying assets.

CONTINGENT LIABILITIES

As at 30 June 2022, the Group did not have any significant contingent liabilities or outstanding guarantees in respect of payment obligations to any third parties (31 December 2021: Nil).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the six months ended 30 June 2022, 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

As at 30 June 2022, the Group does not have other plans for material investments and capital assets.

HUMAN RESOURCES

As at 30 June 2022, the Group had 152 employees (31 December 2021: 121 employees) with total staff cost of approximately SGD2.9 million incurred for the six months ended 30 June 2022 (31 December 2021: SGD5.4 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 2022.

CHANGE IN INFORMATION OF DIRECTORS

With effect from 30 June 2022 Ms. Tan Meng Choon ("**Ms. Tan**") has resigned as an independent non-executive Director in order to devote more time to her personal affairs and other business commitments. Ms. Tan has confirmed that she has no disagreement with the Board and there are no other matters in relation to her resignation that needs to be brought to the attention of the Stock Exchange or the shareholders of the Company.

On the same date, Ms. Yi Jing ("**Ms. Yi**") has been appointed as an independent non-executive Director of the Company to replace Ms. Tan.

Following the resignation of Ms. Tan, with effect from 30 June 2022, Ms. Yi has been appointed as a member of the Audit Committee, the chairlady of the Remuneration Committee and a member of the Nomination Committee in place of Ms. Tan.

For details, please refer to the announcement issued by the Company dated 30 June 2022.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 17.50B of the GEM Listing Rules.

OTHER INFORMATION

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

As at 30 June 2022, the interests and short positions of the Directors and 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 SFO) which are 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 and short positions in which they are 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	Capacity/ Nature of Interest	As at 30 June 2022	
		Number of Shares held	Approximate percentage of Shareholding ⁽¹⁾
Name of Director			
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 2022.
- (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 2022, none of the Directors or chief executive of the Company nor their associates have interests or short positions in any Shares or 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 2022, 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:

Name	Capacity/ Nature of Interest	As at 30 June 2022	
		Number of Shares held	Approximate percentage of Shareholding ⁽¹⁾
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	46,850,000	5.51%

Notes:

- (1) The percentage has been compiled based on the total number of 850,000,000 Shares in issue as at 30 June 2022.
- (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 2022, 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, 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 2022, 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 2022.

SHARE OPTION SCHEME

The Company 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 2022. 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 and its associated corporations" above, at no time during the six months ended 30 June 2022 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 2022 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 2022 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. The Board has reviewed the Company's corporate governance practices and has formed the opinion that the Company throughout the six months ended 30 June 2022 and up to the date of this report, has complied with the CG Code.

INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Luk Fook Capital (HK) Limited (“**Luk Fook Capital**”) as our compliance adviser with effect from 15 August 2021. Save for the compliance adviser service agreement entered into between the Company and Luk Fook Capital dated 15 August 2021, none of Luk Fook Capital or its directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the Group as at 30 June 2022, 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. Yi Jing 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 2022 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 2022 together with this interim report and is of the opinion that the preparation of such statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

DIVIDEND

The Board does not recommend the payment of any interim dividend in respect of the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 17.22, 17.23 and 17.24 of the GEM Listing Rules.

EVENT AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2022 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
Hu Wu'an
Chairman and Executive Director

Hong Kong, 11 August 2022

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. Yi Jing and Mr. Chang Li-Chung.

* *For identification purpose only*