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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)**

**ANNOUNCEMENT**

**(I) IMPACT OF CORONAVIRUS DISEASE (COVID-19) OUTBREAK; AND**  
**(II) CHANGE IN USE OF PROCEEDS FROM THE SHARE OFFER**

This announcement is made by Optima Automobile Group Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) to keep the shareholders and potential investors of the Company informed of the impact of the coronavirus disease (COVID-19) outbreak on the operation of the Group and the change in use of proceeds from the Share Offer (as defined below) arising from and as a result thereof.

**(I) IMPACT OF CORONAVIRUS DISEASE (COVID-19) OUTBREAK**

Since the outbreak of the novel coronavirus disease (“**COVID-19**”), the Singapore government has taken emergency public health measures and various actions to prevent the spread of COVID-19. On 3 April 2020, the Ministry of Health of Singapore implemented “Additional Measures to Minimise Further Spread of COVID-19 Cases” which outlined enhanced safe distancing measures to reduce the risk of further local transmission of COVID-19 in Singapore. The measures include the closure of workplace premises, retail outlets except for those necessary to support the daily living needs of the population (“**Essential Services**”) in Singapore. Other than Essential Services, business activities that cannot be conducted through telecommuting or other means from home shall be suspended from 7 April 2020 to 4 May 2020 (both dates inclusive) as a circuit breaker to curb further spread of COVID-19.

On 21 April 2020, the Ministry of Health of Singapore further issued a press release titled “Strong National Push to Stem Spread of COVID-19” which outlined tighter measures to further reduce the local transmission of COVID-19 in Singapore. These tighter measures include the closure of more work premises and restriction of movement of workers residing in dormitories. Further, it was announced that the circuit breaker period would be extended by another 4 weeks until 1 June 2020 (inclusive) (the “**Circuit Breaker Period**”).

The Group's principal place of business is in Singapore and the principal activities of the Group are provision of a comprehensive range of after-market automotive services, with a focus on inspection, maintenance and repair services. The Group is 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. In view of such additional measures and in line with the press release announced by the Ministry of Trade & Industry of Singapore, the Group's operation in Singapore will only open for emergency repairs services (as listed under Essential Services) on appointment basis from 7 April 2020 to 1 June 2020, while the Group is still responsible for relevant costs such as staff costs, rental and foreign workers' related costs, etc. Such measures will lead to extensive disruption to the normal operation of the Group in Singapore, and as a result, will have an adverse impact on the Group's financial performance during the Circuit Breaker Period.

In the meantime, the Group will continue to strengthen its cost control measures substantially in order to mitigate the adverse impact from the COVID-19 outbreak. To-date, the Group has implemented several initiatives, including salaries cut, work-shift rotation, and negotiation with landlord on rental rebate, etc.. 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.

## **(II) CHANGE IN USE OF PROCEEDS FROM SHARE OFFER**

References are made to the prospectus issued by the Company dated 27 September 2019 (the "**Prospectus**") in relation to the listing of the shares on GEM of The Stock Exchange of Hong Kong Limited by way of share offer (the "**Share Offer**") and the annual report of the Company for the financial year ended 31 December 2019 (the "**2019 Annual Report**") in which the utilisation of net proceeds from the Share Offer up to 31 December 2019 was disclosed. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus and the 2019 Annual Report.

The Board would like to announce that it has resolved to change the use of proceeds from 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 section headed "Future Plans and Use of Proceeds" in the Prospectus, the Company intended to use the Net Proceeds for the following purposes: (i) expanding servicing capacity; (ii) grow rental fleet; (iii) strengthen service capabilities and operating efficiencies; (iv) brand building; and (v) working capital and general corporate purposes.

As at the date of this announcement, the unutilised Net Proceeds of approximately HK\$10.1 million (the “**Unutilised Net Proceeds**”) were deposited into the Group’s bank accounts. For reasons set out in the paragraph headed “Reasons for and Benefits of the Change in Use of Proceeds” below, the Board has resolved to change the use of Net Proceeds from the Share Offer as follows: approximately 57.6% of the Net Proceeds in an amount of approximately HK\$7.6 million, which represented the remaining balance not yet utilised at the date of this announcement, were originally allocated for (i) expansion of our servicing capacity and (ii) growing our rental fleet, will be re-allocated to working capital and general corporate purposes of the Group. The table below sets out the original allocation of Net Proceeds, the change in use and the revised position after change in use are:

Business Strategies	Original allocation of Net Proceeds (as per the 2019 Annual Report)		Utilised Net Proceeds (as at the date of this announcement)	Unutilised Net Proceeds (as at the date of this announcement)	Revised allocation of Net Proceeds		Unutilised Net Proceeds after re-allocation (as at the date of this announcement)
	<i>(HK\$ million)</i>	<i>% of Net Proceeds</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>% of Net Proceeds</i>	<i>(HK\$ million)</i>
Expanding servicing capacity	5.5	41.7%	–	5.5	–	–	–
Grow rental fleet	3.9	29.5%	1.8	2.1	1.8	13.7%	–
Strengthen service capabilities and operating efficiencies	2.3	17.4%	–	2.3	2.3	17.4%	2.3
Brand building	0.2	1.5%	–	0.2	0.2	1.5%	0.2
Working capital and general corporate purpose	1.3	9.9%	1.3	–	8.9	67.4%	7.6
	<u>13.2</u>	<u>100.0%</u>	<u>3.1</u>	<u>10.1</u>	<u>13.2</u>	<u>100.0%</u>	<u>10.1</u>

## REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

The planned use of Net Proceeds from the Share Offer as disclosed in the Prospectus was based on the best estimation made by the Group in relation to the then future market conditions as at the Latest Practicable Date of the Prospectus, while the Net Proceeds were applied in accordance with the actual development of the market from time to time. In this connection, 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.

As explained in section (I) above “Impact of coronavirus disease (COVID-19) outbreak”, the tightened measures imposed by the Singapore government has led to extensive disruption to the normal operation of the Group in Singapore, and has also resulted in a slowdown of the Group’s business while the Group is still required to bear operating costs such as staff costs, rental and foreign workers’ accommodation costs, etc.. In light of the impact of the COVID-19 outbreak and the envisaged economic downturn in Singapore, the Directors believe that by strictly adhering to the implementation plan set out in the Prospectus, the servicing capacity and the rental fleet of the Group will be unnecessarily enhanced, while the additional capital investment may lead to a provision for impairment for such investment to be made in the future. Further, given the Group derives a majority of its revenue from the provision of automotive after-market services in Singapore, the Board expects the Group to record a significant decrease in revenue during the Circuit Breaker Period. Such expected decrease in revenue will have an adverse impact on the Group’s financial performance and is also expected to increase the Group’s cashflow demand as the operating expenses are recurring and unavoidable in nature to support the normal daily operations of the Group. Such expenses had previously been met with the internal resources generated from business operations. As the impacts of the COVID-19 outbreak on the Group’s business operations and the relevant measures and policies imposed by the Singapore government are beyond the control of the Group, the financial and business results of the Group may continue to be adversely affected. The degree of impact of COVID-19 outbreak on the Group’s business and financial performance cannot be evaluated now as the pandemic may persist for some time. The Group will need to continue to comply with the relevant requirement and other policies issued by the Singapore government, while maintaining its business operations and costs. The Singapore government has announced several rounds of stimulus package (the “**Stimulus Package**”) such as wage support and waiver of levies, to help Singapore businesses survive the drastic effects caused by COVID-19. The subsidies and rebates received by the Group resulting from the Stimulus Package will be used to offset part of the Group’s operations costs.

The Board has assessed a number of options to manage the Group’s cash flow liquidity, such as re-designating the Unutilised Net Proceeds, taking out bank loans, or conducting share placements under general mandate. Having considered the costs that may be incurred in the above courses of action and the time requirements, the Board is of the view that it would be most appropriate to change the use of the Unutilised Net Proceeds. Based on the interests of the Company and its Shareholders as a whole and in light of current market conditions and the Group’s business needs, the Board intends to re-allocate HK\$7.6 million for the working capital and general corporate purposes of the Group so as to meet its operational needs and provide more buffer to cope with the increasingly economic uncertainty in the future.

The Board believes that the above change in use of the Net Proceeds will enable the Group to have a higher degree of flexibility in cash flow management, with enriched financial resources at its disposal while reserving the rights to apply the Unutilised Net Proceeds back to its original business expansion as and when suitable opportunities arises. Therefore, the Board considers that such a change serves the purpose of achieving effective deployment of the Group’s financial resources and is conducive to the Group’s current development and in the interests of the Group and the Shareholders as a whole. The Board will continuously assess the plans for use of the Unutilised Net Proceeds, and may revise or amend such plans where necessary to respond to the changing market conditions and strive for better business performance of the Group. Save as disclosed in this announcement, there are no other changes in the use of the Net Proceeds.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 4 May 2020

*As at the date of this announcement, the executive Directors are Mr. Ang Lay Keong (Hong Liqiang), Ms. Lim Li Ling (Lin Liling) and Mr. Goh Duo Tzer (Wu Duoze), the independent non-executive Directors are Mr. Chu Kin Ming, Mr. Tang Chi Chiu and Ms. Liang Weizhang.*

*This announcement, for which the Directors 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 of Hong Kong Limited 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 any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the GEM website at [www.hkgem.com](http://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](http://www.ow.sg).*