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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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2020

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.

*This announcement, 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 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.*

FIRST QUARTERLY 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 ended 31 March 2020 with comparative figures for the corresponding periods in 2019 as follows:

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

For the three months ended 31 March 2020

		Three months ended	
		31 March	
	<i>Notes</i>	2020	2019
		SGD'000	SGD'000
		(Unaudited)	(Audited)
Revenue	3	3,341	4,357
Other income and gains	4	73	87
Cost of materials used		(1,094)	(1,172)
Marketing and advertising expenses		(28)	(69)
Employee benefit expenses		(1,183)	(1,199)
Depreciation of property, plant and equipment		(82)	(97)
Impairment of right-of-use assets		(170)	–
Depreciation of right-of-use assets		(756)	(779)
Impairment of trade receivables		(342)	(19)
Finance costs	5	(74)	(103)
Listing expenses		–	(317)
Short-term lease expenses		(49)	(50)
Other expenses		(333)	(389)
		<hr/>	<hr/>
(Loss)/Profit before income tax credit/(expense)	6	(697)	250
Income tax credit/(expense)	7	12	(119)
		<hr/>	<hr/>
(Loss)/Profit and total comprehensive income for the period		(685)	131
		<hr/>	<hr/>
(Loss)/Profit attributable to owners of the Company		(685)	131
		<hr/>	<hr/>
Total comprehensive income attributable to owners of the Company		(685)	131
		<hr/>	<hr/>
(Losses)/Earnings per share			
– Basic and diluted (SGD cents)	9	(0.08)	0.02
		<hr/>	<hr/>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2020

	Total equity attributable to owners of the Company					Total equity SGD'000
	Share capital SGD'000	Share premium SGD'000	Merger reserve SGD'000	Other reserve SGD'000	(Accumulated losses)/ Retained earnings SGD'000	
Balance as at 1 January 2020 (audited)	1,497	7,187	2,645	(103)	496	11,722
Loss and total comprehensive income for the period	–	–	–	–	(685)	(685)
Balance as at 31 March 2020 (unaudited)	<u>1,497</u>	<u>7,187</u>	<u>2,645</u>	<u>(103)</u>	<u>(189)</u>	<u>11,037</u>
Balance as at 1 January 2019 (audited)	17	1,693	2,645	(103)	2,653	6,905
Profit and total comprehensive income for the period	–	–	–	–	131	131
Balance as at 31 March 2019 (audited)	<u>17</u>	<u>1,693</u>	<u>2,645</u>	<u>(103)</u>	<u>2,784</u>	<u>7,036</u>

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, 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 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 principal activity of the Group is provision of repair and maintenance of motor vehicles in Singapore. As at 31 March 2020, 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 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 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.

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.

3. REVENUE

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

	Three months ended 31 March	
	2020 <i>SGD'000</i> (Unaudited)	2019 <i>SGD'000</i> (Audited)
Revenue from Contracts with customers within the scope of HKFRS 15		
Service income	2,726	3,102
Warranty income	143	304
Automotive supply income	105	317
Revenue from other sources		
Car rental income	367	634
	<u>3,341</u>	<u>4,357</u>
Disaggregation by timing of revenue recognition		
Over time	2,869	3,406
Point in time	105	317
	<u>2,974</u>	<u>3,723</u>

4. OTHER INCOME AND GAINS

	Three months ended 31 March	
	2020 <i>SGD'000</i> (Unaudited)	2019 <i>SGD'000</i> (Audited)
Government grants	31	42
COE & PARF encashment	15	–
Reversal of impairment of trade receivables	–	18
Others	27	27
	<u>73</u>	<u>87</u>

5. FINANCE COSTS

	Three months ended 31 March	
	2020 <i>SGD'000</i> (Unaudited)	2019 <i>SGD'000</i> (Audited)
Interest element of lease liabilities	66	93
Interest on bank borrowings	8	10
	<u>74</u>	<u>103</u>

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

	Three months ended 31 March	
	2020	2019
	SGD'000	SGD'000
	(Unaudited)	(Audited)
(Loss)/Profit before income tax credit/(expense) is arrived at after charging:		
Auditor's remuneration	18	11
Cost of inventories recognised as expenses	1,094	1,172
Depreciation of right-of-use assets		
– Direct depreciation expenses	340	364
– Indirect depreciation expenses	416	415
	<hr/>	<hr/>
– Total	756	779
	<hr/>	<hr/>
Depreciation of property, plant and equipment		
– Direct depreciation expenses	71	81
– Indirect depreciation expenses	11	16
	<hr/>	<hr/>
– Total	82	97
	<hr/>	<hr/>
Employee benefit expenses (including directors' emoluments)		
– Salaries, allowances and other benefits	1,096	1,111
– Contributions to defined contribution retirement plan	87	88
	<hr/>	<hr/>
– Total	1,183	1,199
	<hr/>	<hr/>
– Direct employee benefit expenses	488	483
– Indirect employee benefit expenses	695	716
	<hr/>	<hr/>
– Total	1,183	1,199
	<hr/>	<hr/>
Impairment of right-of-use assets	170	–
Impairment of trade receivables	342	19
Loss on disposal of property, plant and equipment	2	–
Operating lease payments in respect of leased premises	49	50
	<hr/>	<hr/>

7. INCOME TAX (CREDIT)/EXPENSE

	Three months ended 31 March	
	2020	2019
	<i>SGD'000</i>	<i>SGD'000</i>
	(Unaudited)	(Audited)
Singapore		
Current tax		
– Current period	–	85
– Under provision in respect of prior periods	–	11
Deferred tax		
– Current period	–	23
– Over provision in respect of prior periods	(12)	–
	<u>(12)</u>	<u>119</u>

8. DIVIDENDS

The Board did not recommend the payment of any dividend for the three months ended 31 March 2020 (three months ended 31 March 2019: Nil).

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

	Three months ended 31 March	
	2020	2019
	<i>SGD'000</i>	<i>SGD'000</i>
	(Unaudited)	(Audited)
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	<u>(685)</u>	<u>131</u>
Weighted average number of ordinary shares in issue (<i>Note</i>)	<u>850,000,000</u>	<u>600,000,000</u>
Basic and diluted (losses)/earnings per share (<i>SGD cents</i>)	<u>(0.08)</u>	<u>0.02</u>

Note:

For the period ended 31 March 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.

For the period ended 31 March 2019, the calculation of basic earnings per share was based on the profit attributable to the owners of the Company and 10,000,000 ordinary shares in issue and 590,000,000 ordinary shares to be issued pursuant to a capitalisation but before the placing of 250,000,000 new shares upon the subsequent listing of the Company's shares on 11 October 2019.

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 periods ended 31 March 2020 and 2019.

10. EVENT AFTER THE REPORTING PERIOD

The Group has the following significant event after the reporting period:

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**”).

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. The duration and intensity of this global health emergency and related disruptions are uncertain. The Group has recorded impairment of its right-of-use assets amounting to approximately S\$0.2 million for PE2020. However, given the dynamic nature of these circumstances, the related adverse impact caused by the severe control measures on the Group’s operations, financial performance, cash flows and financial position for the nine months from April to December 2020 will be material, but cannot be reasonably estimated as at the date of approval of this set of unaudited condensed consolidated financial statements.

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 (i.e. Sri Lanka and Myanmar). 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 provision of comprehensive after-market automotive services except spray painting services which shall be handled by our paint workshop.

The coronavirus disease 2019 (“**COVID-19**”) outbreak in early 2020 which has caused disruption to businesses and market uncertainties in affected regions has imposed a negative impact on the economy. The Group is facing a challenging operating environment as business and consumer sentiments have turned cautious. Consumers started to stay home due to the social distancing measures and relevant work arrangements implemented by their work places and tightening of expenditure on perceived non-essential spending. Revenue decreased for all segments for the three months ended 31 March 2020 (“**PE2020**”).

In addition, in PE2020, the Group has terminated the car rental agreement with one of its major long-term car rental customers that was facing financial difficulties towards the end of year 2019 (the “**Termination**”). The Group will source for other car sharing and ride hailing companies in Singapore to cooperate with in place of this customer. However, the COVID-19 outbreak has significantly reduced tourist arrivals and domestic travels, which had adversely affected the car sharing and ride hailing industry in Singapore. The Directors expect that it may require a longer period than usual to source for a suitable partner to rent the cars returned to the Group due to the Termination.

Sales of passenger car spare parts and accessories to oversea customers decreased by S\$0.2 million from approximately S\$0.3 million for the three months ended 31 March 2019 (“**PE2019**”) to approximately S\$0.1 million in PE2020 as the governments in regional countries affected by the COVID-19 pandemic began to take emergency public health measures and various actions to prevent the spread of COVID-19.

OUTLOOK

Due to outbreak of the novel 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**”).

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 repair 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 of 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 S\$3.3 million for PE2020 as compared to approximately S\$4.4 million for PE2019, a decrease of approximately S\$1.1 million. The decrease was mainly attributable to (i) lower revenue for after-market automotive services of approximately S\$0.6 million comprising a decrease in non-insured repair services of approximately S\$0.3 million, decrease in warranty related business of approximately S\$0.2 million and insured repair services of S\$0.1 million, (ii) decrease in car rental income of approximately S\$0.3 million, and (iii) a decrease in sales of passenger car spare parts and accessories to oversea customers of S\$0.2 million.

Cost of materials used

The magnitude of the decrease in cost of materials used was less than the decrease in revenue as the Group's decrease in revenue included reduction in average servicing fee from promotions and discounts given to attract spending by customers and the lower spending by customers on non-essential services. The average purchase prices of our cost of materials has remained relatively stable for PE2020.

Income tax (credit)/expense

The income tax credit for PE2020 arised from the reversal of the overprovision of deferred tax expense of a subsidiary in the Group.

Listing expenses

All listing expenses have been charged to the financial year ended 2019 upon the completion of the initial public offering of the shares of the Company (the "**Shares**") on 11 October 2019 (the "**Listing Date**").

Loss and total comprehensive income for the period

The Group recorded a loss and total comprehensive income for PE2020 of approximately S\$0.7 million compared to a profit and total comprehensive income for PE2019 of approximately S\$0.1 million. The loss for the period was attributable to the combined effects of the decrease in revenue, increase in impairment of right-of-use assets and trade receivables. The Group recorded an additional impairment of trade receivables of S\$0.3 million on the trade receivables from a long-term car rental customer due to the Termination. The recoverable amount of the Group's right-of-use assets was impaired as a result of the effects of COVID-19 on the Singapore economy. Hence the Group has recorded an additional impairment of right-of-use assets amounting to S\$0.2 million for PE2020.

Dividend

The Board does not recommend the payment of any dividend in respect of the three months ended 31 March 2020 (three months ended 31 March 2019: Nil).

CHANGE IN USE OF PROCEEDS FORM SHARE OFFER

The Shares were listed on GEM of the Stock Exchange on 11 October 2019 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 section headed "Future Plans and Use of Proceeds" in the prospectus issued by the Company dated 27 September 2019 (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. 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)
	(HK\$ million)	% of Net Proceeds	(HK\$ million)	(HK\$ million)	(HK\$ million)	% of Net Proceeds	(HK\$ million)
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 purposes	1.3	9.9%	1.3	–	8.9	67.4%	7.6
	13.2	100.0%	3.1	10.1	13.2	100.0%	10.1

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 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. For further details, please refer to the announcement issued by the Company dated 6 May 2020.

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 announcement. The capital structure of the Group only comprises ordinary Shares.

As at 31 March 2020, 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.

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 31 March 2020, 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 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

Name of Director	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%

Notes:

- (1) The percentage has been complied based on the total number of 850,000,000 Shares in issue as at the date of this announcement.
- (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 the date of this announcement, 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 31 March 2020, the persons (other than Directors or chief executive of the Company) who have 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 in 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 are as follows:

Long Positions

Name	Capacity/ Nature of Interest	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 (“Mr. Ng”) ⁽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 the date of this announcement.
- (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 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 the date of this announcement, the Directors are not aware of any substantial shareholder or 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 in 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 three months ended 31 March 2020, 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 since the Listing Date and up to the date of this announcement.

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.

No share option has been granted since the adoption of the Share Option Scheme and there is no share option outstanding as at 31 March 2020.

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" and "Share Option Scheme" above, at no time during the three months ended 31 March 2020 and up to the date of this announcement 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 three months ended 31 March 2020 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 three months ended 31 March 2020 and up to the date of this announcement.

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 separated 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 enabling 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 announcement, 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 the Company's 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 31 March 2020, 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 comprises of three independent non-executive directors, namely Mr. Tang Chi Chiu (“**Mr. Tang**”), Mr. Chu Kin Ming and Ms. Liang Weizhang. The chairman is Mr. Tang, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The first quarterly results of the Group for the three months ended 31 March 2020 have not been audited. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2020 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.

EVENT AFTER THE REPORTING PERIOD

The outbreak of COVID-19 will adversely impact our revenue from after-market automotive services and car rental services for at least the first half of the year 2020. The Directors will monitor the developments of COVID-19 pandemic closely, assess and react actively to its impacts on the financial position and operating results of the Group. Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 31 March 2020 and up to the date of this announcement.

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 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.