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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 2021**

The board (the “**Board**”) of directors (the “**Directors**”) of Optima Automobile Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 31 March 2021. This announcement, containing the full text of the 2021 first quarterly report of the Company (the “**2021 First Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities (“**GEM Listing Rules**”) on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM**”) in relation to information to accompany preliminary announcement of first quarterly results. The printed version of the 2021 First Quarterly Report will be dispatched to the shareholders of the Company and available for viewing on the website of GEM at [www.hkgem.com](http://www.hkgem.com) and of the Company at [www.ow.sg](http://www.ow.sg) in due course in the manner as required by the GEM Listing Rules.

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

Hong Kong, 11 May 2021

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

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

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

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of Optima Automobile Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

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

#### Independent Non-Executive Directors

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

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### COMPLIANCE OFFICER

Mr. Goh Duo Tzer (Wu Duoze)

### COMPANY SECRETARY

Mr. Chan Tsang Mo, HKICPA

### AUTHORISED REPRESENTATIVES

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

## **AUDITORS**

BDO Limited

Certified Public Accountants

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

25th Floor, Wing On Centre

111 Connaught Road Central

Hong Kong

## **COMPLIANCE ADVISER**

Orient Capital (Hong Kong) Limited

28/F-29/F, 100 Queen's Road Central

Central, Hong Kong

## **PRINCIPAL BANKERS**

DBS Bank Limited

12 Marina Boulevard

Marina Bay Financial Centre Tower 3

Singapore 018982

United Overseas Bank Limited

80 Raffles Place

UDB Plaza 1, #07-01

Singapore 048624

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

## **HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE**

6 Kung Chong Road

Alexandra Industrial Estate

Singapore 159143

## **REGISTERED OFFICE IN THE CAYMAN ISLANDS**

Cricket Square

Hutchins Drive, P.O. Box 2681

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](http://www.ow.sg)

## 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 2021 with comparative figures for the corresponding periods in 2020 as follows:

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

*For the three months ended 31 March 2021*

	Notes	Three months ended 31 March	
		2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
<b>Revenue</b>	3	<b>6,389</b>	3,341
<b>Other income and gains</b>	4	<b>169</b>	73
Cost of materials used		(3,704)	(1,094)
Marketing and advertising expenses		(154)	(28)
Employee benefit expenses		(1,173)	(1,183)
Depreciation of property, plant and equipment		(80)	(82)
Depreciation of right-of-use assets		(627)	(756)
Impairment of right-of-use assets		–	(170)
Impairment of trade receivables		(17)	(342)
Finance costs	5	(85)	(74)
Short-term lease expenses		(12)	(49)
Other expenses		(459)	(333)
Share of results of a joint venture, Net of tax		(35)	–
Share of results of an associate, Net of tax		(7)	–
Profit/(Loss) before income tax (expense)/credit	6	<b>205</b>	(697)
Income tax (expense)/credit	7	<b>(89)</b>	12
Profit/(Loss) for the period		<b>116</b>	(685)

		<b>Three months ended 31 March</b>	
		<b>2021</b>	2020
		<b>SGD'000</b>	SGD'000
Notes		<b>(Unaudited)</b>	(Unaudited)
<i>Other comprehensive income, net of tax</i>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
	Exchange differences on translating foreign operations	– <sup>#</sup>	–
	Share of other comprehensive income of a joint venture	– <sup>#</sup>	–
	Share of other comprehensive income of an associate	<b>(30)</b>	–
<hr/>			
	Other comprehensive income for the period, net of tax	<b>(30)</b>	–
<hr/>			
	Total comprehensive income for the period	<b>86</b>	(685)
<hr/>			
<b>Profit/(Loss) attributable to:</b>			
	Owners of the Company	<b>116</b>	(685)
	Non-controlling interests	–	–
<hr/>			
		<b>116</b>	(685)
<hr/>			
<b>Total comprehensive income attributable to:</b>			
	Owners of the Company	<b>86</b>	(685)
	Non-controlling interests	–	–
<hr/>			
		<b>86</b>	(685)
<hr/>			
<b>Earnings/(Losses) per share</b>			
	– Basic and diluted (SGD cents)	<b>0.01</b>	(0.08)
9			

<sup>#</sup> Less than SGD1,000.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2021

	Total equity attributable to owners of the Company						Total SGD'000
	Share capital SGD'000	Share premium SGD'000	Merger reserve SGD'000	Other reserve SGD'000	Accumulated losses SGD'000	Foreign currency exchange reserve SGD'000	
<b>Balance as at 31 December 2020 and 1 January 2021 (audited)</b>	1,497	7,187	2,645	(103)	(293)	(5)	10,928
Profit for the period	-	-	-	-	116	-	116
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	-	-#	-#
Share of other comprehensive income of a joint venture	-	-	-	-	-	-#	-#
Share of other comprehensive income of an associate	-	-	-	-	-	(30)	(30)
<b>Balance as at 31 March 2021 (unaudited)</b>	<b>1,497</b>	<b>7,187</b>	<b>2,645</b>	<b>(103)</b>	<b>(177)</b>	<b>(35)</b>	<b>11,014</b>
<b>Balance as at 31 December 2019 and 1 January 2020 (audited)</b>	<b>1,497</b>	<b>7,187</b>	<b>2,645</b>	<b>(103)</b>	<b>496</b>	<b>-</b>	<b>11,722</b>
Loss and total comprehensive income for the period	-	-	-	-	(685)	-	(685)
<b>Balance as at 31 March 2020 (unaudited)</b>	<b>1,497</b>	<b>7,187</b>	<b>2,645</b>	<b>(103)</b>	<b>(189)</b>	<b>-</b>	<b>11,037</b>

# Less than SGD1,000.



# 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 2021, the immediate holding company of the Company was Red Link International Limited, a limited liability incorporated in the British Virgin Islands. The directors of the Company considered the ultimate holding company to be Red Link International Limited.

## 2. BASIS OF 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.

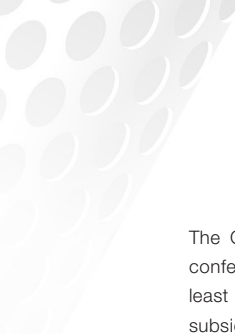
### **Basis of consolidation**

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 intragroup 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 noncontrolling 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 postacquisition 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 31 March	
	2021	2020
	SGD'000	SGD'000
	(Unaudited)	(Unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Service income	2,849	2,726
Warranty income	105	143
Automotive supply income	2,785	105
<b>Revenue from other sources</b>		
Car rental income	650	367
	<b>6,389</b>	<b>3,341</b>
<b>Disaggregation by timing of revenue recognition</b>		
Over time	2,954	2,869
Point in time	2,785	105
	<b>5,739</b>	<b>2,974</b>

#### 4. OTHER INCOME AND GAINS

	Three months ended 31 March	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Government grants	112	31
COE and PARF encashment	–	15
Rental rebates	56	–
Others	1	27
	<b>169</b>	<b>73</b>

#### 5. FINANCE COSTS

	Three months ended 31 March	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Interest element of lease liabilities	73	66
Interest on bank borrowings	8	8
Interest on short-term loan	4	–
	<b>85</b>	<b>74</b>

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

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

	Three months ended 31 March	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Auditor's remuneration	26	18
Cost of inventories recognised as expenses	3,704	1,094
Depreciation of right-of-use assets	627	756
Depreciation of property, plant and equipment	80	82
Employee benefit expenses (including directors' emoluments)		
– Salaries, allowances and other benefits	1,086	1,096
– Contributions to defined contribution retirement plan	87	87
<b>– Total</b>	<b>1,173</b>	<b>1,183</b>
Impairment of right-of-uses assets	–	170
Impairment of trade receivables	17	342
Loss on disposal/write off of property, plant and equipment	–	2
Short-term lease expense	12	49

## 7. INCOME TAX EXPENSE/(CREDIT)

	Three months ended 31 March	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Current tax		
– Current period	89	–
Deferred tax		
– Over provision in respect of prior periods	–	(12)
	<b>89</b>	<b>(12)</b>

Singapore profits tax is calculated at 17% on the estimated assessable profits arising in Singapore for the three months ended 31 March 2021.

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

## 8. DIVIDENDS

The Board did not recommend the payment of any dividend for the three months ended 31 March 2021 (three months ended 31 March 2020: Nil).

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

	Three months ended 31 March	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
The basic and diluted earnings/(losses) per share for the period are calculated based on the following:		
Profit/(Loss) attributable to owners of the Company for the period	<b>116</b>	(685)
Weighted average number of ordinary shares in issue (Note)	<b>850,000,000</b>	850,000,000
Basic and diluted earnings/(losses) per share (SGD cents)	<b>0.01</b>	(0.08)

*Note:*

For the period ended 31 March 2021, the calculation of basic earnings per share was based on the profit attributable to the owners of the Company and on the basis of the weighted average number of 850,000,000 (2020: 850,000,000) ordinary shares in issue.

Diluted earnings/(losses) per share were the same as basic earnings/(losses) per share as there was no potential dilutive ordinary share in existence during the period ended 31 March 2021 and 2020.



## 10. SUBSEQUENT EVENT

Other than those disclosed elsewhere in the unaudited condensed consolidated financial statements, the Group has the following significant event after the reporting period:

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

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

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

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

Automotive supply income increased by approximately SGD2.7 million during PE2021 as compared to PE2020. The increase is mainly due to Shenzhen Aodi Taoche Automobile Trading Co., Ltd. (“**Shenzhen Aodi Taoche**”), an indirect wholly-owned subsidiary of the Company commencing its activity to supply automobile spare parts, accessories, equipment and automobiles to customers in Mainland China in July 2020.

## OUTLOOK

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

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

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

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

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

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

## FINANCIAL REVIEW

### Revenue

Revenue for the Group was approximately SGD6.4 million for the three months ended 31 March 2021 (“PE2021”) as compared to approximately SGD3.3 million for the three months ended 31 March 2020 (“PE2020”), an increase of approximately SGD3.1 million.

The increase was mainly attributable to (i) an increase in after-market automotive service income of approximately SGD0.1 million; (ii) an increase in sales of passenger car spare parts, accessories, automotive equipment and automobiles of approximately SGD2.7 million attributable mainly to related business in Mainland China and (iii) the increase in car rental income of approximately SGD0.3 million.

### Cost of materials used

In PE2021, the cost of materials used increased by approximately SGD2.6 million as compared to PE2020. This is due to the inclusion of the cost incurred by related business in Mainland China and the supply of automobile spare parts, accessories, equipment, and automobiles to customers which amounted to approximately SGD2.6 million. The average purchase prices of our cost of materials used in providing after-market automobile services have remained relatively stable for PE2021.

### Marketing and advertising expenses

The increase in marketing and advertising expenses from approximately SGD28,000 in PE2020 to SGD0.2 million in PE2021 was due to the increase in commission and referral fees paid to third parties and advertising expenses for the after-market automotive services and the sales of accessories.

### Depreciation of right-of-use assets

The decrease in depreciation of right-of-use assets from approximately SGD0.8 million in PE2020 to approximately SGD0.6 million in PE2021 was due to reduction in rental rates from landlords.

## **Impairment of trade receivables**

The Group recorded an additional impairment of trade receivables of approximately SGD17,000 on the trade receivables from customers that are not probable to repay.

## **Impairment of right-of-use assets**

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

## **Other expenses**

The increase in other expenses of approximately SGD0.1 million for PE2021 was mainly due to an exchange gain of approximately SGD0.2 million recorded in PE2020 offset by a decrease in insurance and maintenance expenses for the fleet of rental vehicles amounting to approximately SGD0.1 million.

## **Income tax (expense)/credit**

The Group recorded a tax expense of approximately SGD0.1 million in PE2021 as compared to a tax credit of approximately SGD12,000 in PE2020. This is a result of the current period tax provision for income tax of a subsidiary in Singapore.

## **Profit and total comprehensive income for the period**

The Group recorded a profit and total comprehensive income for PE2021 of approximately SGD116,000 and SGD86,000 respectively as compared to a loss and total comprehensive loss for PE2020 of approximately SGD0.7 million. The profit for the period was attributable to the combined effects of the decrease in impairment of trade receivables and right-of-use assets and increase in car rental revenue.

## **Dividend**

The Board of Directors of the Company does not recommend the payment of an interim dividend in respect of the three months ended 31 March 2021 (three months ended 31 March 2020: Nil).

## CHARGE ON GROUP'S ASSETS

As at 31 March 2021, the Group's bank borrowings were secured by a corporate guarantee from the Company; lease liabilities of motor vehicles were secured by a corporate guarantee from the Company and the underlying assets.

## USE OF PROCEEDS

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

As at 31 March 2021, the unutilised Net Proceeds of approximately HK\$0.4 million (the "Unutilised Net Proceeds") were deposited into the Group's bank accounts, which are intended to be utilised in the manner as disclosed in the announcement of the Company dated 4 May 2020. Details of the use of the Net Proceeds and the expected timeline for the intended use of the Unutilised Net Proceeds are as follows:

Use of the Net Proceeds	Original allocation (HK\$ million)	Revised	Unutilised Net	Utilised Net	Unutilised Net	Expected timeline for the intended use
		allocation of Net Proceeds as at 4 May 2020 (HK\$ million)	Proceeds up to 31 December 2020 (HK\$ million)	Proceeds during the three months ended 31 March 2021 (HK\$ million)	Proceeds up to 31 March 2021 (HK\$ million)	
Expanding servicing capacity	5.5	-	-	-	-	-
Grow rental fleet	3.9	1.8	-	-	-	-
Strengthen service capabilities and operating efficiencies	2.3	2.3	0.9	0.5	0.4	1 April 2021 to 30 June 2021
Brand building	0.2	0.2	0.2	0.2	-	-
General working capital	1.3	8.9	-	-	-	-
	13.2	13.2	1.1	0.7	0.4	

The expected timeline for utilising of the unutilised proceeds is based on the Directors' best estimation without barring unforeseen circumstances, and would be subject to change based on the development of market conditions. The Company will continue to evaluate the plans for use of the Unutilised Net Proceeds and may revise or modify such plans where necessary against the changing market conditions to suit the business growth of the Group.

## 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 2021, 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

Name of Director	Capacity/ Nature of Interest	As at 31 March 2021	
		Number of Shares held	Approximate percentage of Shareholding <sup>(1)</sup>
Mr. Ang Lay Keong (Hong Liqiang) ("Mr. Ang") <sup>(2)</sup>	Interest in controlled corporation	378,798,000	44.56%
Ms. Lim Li Ling (Lin Liling) ("Ms. LL Lim") <sup>(3)</sup>	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 the date of this report.
- (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 31 March 2021, 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 2021, the persons (other than Directors or chief executive of the Company) who had interests in the Shares and underlying Shares of the Company within the meaning of Part XV of the SFO which are required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which will be required, pursuant to Section 336 of the SFO, to be entered in the register of the Company were as follows:

### Long Positions

Name	Capacity/ Nature of Interest	As at 31 March 2021	
		Number of Shares held	Approximate percentage of Shareholding <sup>(1)</sup>
Red Link	Beneficial owner	378,798,000	44.56%
Ms. FF Lim <sup>(2)</sup>	Interest in a controlled corporation	378,798,000	44.56%
Mr. Ng Chee Keen <sup>(3)</sup>	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 report.
- (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 31 March 2021, the Directors are not aware of any other person (other than the Directors or chief executive of the Company as disclosed in the section headed “Directors’ and chief executive’s interests and short positions in Shares and underlying Shares and debentures of the Company and its associated corporations” above) who have or are deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or are recorded in the register required to be kept by the Company under section 336 of the SFO.

## **COMPETING INTERESTS**

For the three months ended 31 March 2021, none of the Directors or the controlling shareholders of the Company or their close associates (as defined in the GEM Listing Rules) was interested in any business which competes or may compete, either directly or indirectly, with the Group’s business nor did they have any other conflicts of interest with the Group.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the three months ended 31 March 2021.

## SHARE OPTION SCHEME

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

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 2021.

## DIRECTORS’ RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Saved as disclosed in the paragraphs headed “Directors’ and chief executive’s interests and short positions in Shares, underlying Shares and debentures of the Company or any associated corporations” and “Share Option Scheme” above, at no time during the three months ended 31 March 2021 and up to the date of this report did the Directors and the chief executive of the Company or their respective associates (as defined under the GEM Listing Rules) have any interest in or exercise, or had been granted, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above, at no time during the three months ended 31 March 2021 was the Company or any of its subsidiaries, associated companies, fellow subsidiaries or holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by Directors on terms as required by Rules 5.48 to 5.67 of the GEM Listing Rules (“**Required Standard of Dealings**”). The Company had made specific enquiries with written guidelines in relation to the Required Standard of Dealings to all Directors, all Directors have confirmed that they complied with the required standards set out in the Required Standard of Dealings for the three months ended 31 March 2021 and up to the date of this report.

## **CORPORATE GOVERNANCE PRACTICES**

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

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

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

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

## **INTEREST OF THE COMPLIANCE ADVISER**

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Orient Capital (Hong Kong) Limited ("Orient Capital") as our compliance adviser. Save for the compliance adviser service agreement entered into between the Company and Orient Capital dated 28 June 2018, none of Orient Capital or its directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the Group as at 31 March 2021, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## **AUDIT COMMITTEE**

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

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

The first quarterly results of the Group for the three months ended 31 March 2021 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 2021 and is of the opinion that the preparation of such statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

## **DIVIDEND**

The Board does not recommend the payment of any dividend in respect of the three months ended 31 March 2021 (three months ended 31 March 2020: Nil).

## **CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES**

Save as disclosed in this quarterly 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

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

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

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 31 March 2021 and up to the date of this report.

## APPRECIATION

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

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

Singapore, 11 May 2021

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