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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)

DISCLOSEABLE TRANSACTIONS IN RELATION TO PURCHASE OF VEHICLES

THE HYUNDAI PURCHASE

The Board is pleased to announce that during the period from 18 July 2021 to 25 October 2021, the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the standard Buyer's Orders with Vendor-1, pursuant to which the Purchaser has agreed to purchase and Vendor-1 has agreed to sell in aggregate fourteen Hyundai vehicles at an aggregate consideration of S\$1,352,287.

THE NISSAN PURCHASE

The Board is pleased to announce that during the period from 8 September 2021 to 25 October 2021, the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the standard Vehicle Sale and Purchase Agreements with Vendor-2, pursuant to which the Purchaser has agreed to purchase and Vendor-2 has agreed to sell in aggregate thirteen Nissan vehicles at an aggregate consideration of S\$1,316,000.

GEM LISTING RULES IMPLICATIONS

As the Buyer's Orders were entered into by the Purchaser with the same party Vendor-1 and are all expected to complete within a 12-month period, according to Rules 19.22 and 19.23 of the GEM Listing Rules, the transactions contemplated under the Buyer's Orders shall be aggregated as a series of transactions and treated as if they were one transaction. As one or more of the applicable percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the Hyundai Purchase exceeds 5% but all of the percentage ratios are less than 25%, the transactions contemplated under the Buyer's Orders constitute discloseable transactions for the Group under Chapter 19 of the GEM Listing Rules and are subject to the reporting and announcement requirements but are exempted from the Shareholders' approval requirement under the GEM Listing Rules.

As the Vehicle Sale and Purchase Agreements were entered into by the Purchaser with the same party Vendor-2 and are all expected to complete within a 12-month period, according to Rules 19.22 and 19.23 of the GEM Listing Rules, the transactions contemplated under the Vehicle Sale and Purchase Agreements shall be aggregated as a series of transactions and treated as if they were one transaction. As one or more of the applicable percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the Nissan Purchase exceeds 5% but all of the percentage ratios are less than 25%, the transactions contemplated under the Vehicle Sale and Purchase Agreements constitute discloseable transactions for the Group under Chapter 19 of the GEM Listing Rules and are subject to the reporting and announcement requirements but are exempted from the Shareholders' approval requirement under the GEM Listing Rules.

I. THE HYUNDAI PURCHASE

The Board is pleased to announce that during the period from 18 July 2021 to 25 October 2021, the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the standard Buyer's Orders with Vendor-1, pursuant to which the Purchaser has agreed to purchase and Vendor-1 has agreed to sell in aggregate fourteen Hyundai vehicles at an aggregate consideration of S\$1,352,287.

BUYER'S ORDER-I

The principal terms of Buyer's Order-I are set out as follows:

Date

A buyer's order was entered into on 18 July 2021.

Parties

- (1) Optima Carz Leasing Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as purchaser; and
- (2) Komoco Motors Pte. Ltd., as vendor

Subject matter

Under Buyer's Order-I, the Purchaser agreed to purchase and Vendor-1 agreed to sell, one Hyundai vehicle.

Consideration

The consideration for the vehicle under Buyer's Order-I was S\$97,300, which was negotiated between the parties on an arm's length basis and primarily with reference to the prevailing market price of the relevant car model. The consideration was fully satisfied in cash and funded by internal resources of the Group.

BUYER'S ORDERS-II

The principal terms of Buyer's Orders-II are set out as follows:

Date

Four buyer's order was entered into on 7 September 2021.

Parties

- (1) Optima Carz Leasing Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as purchaser; and
- (2) Komoco Motors Pte. Ltd., as vendor

Subject matter

Under Buyer's Orders-II, the Purchaser agreed to purchase and Vendor-1 agreed to sell, four Hyundai vehicles.

Consideration

The aggregate consideration for the vehicles under Buyer's Orders-II was S\$399,996, which was negotiated between the parties on an arm's length basis and primarily with reference to the prevailing market price of the relevant car models. Three vehicles were fully paid. For the remaining one vehicle, a deposit of S\$12,000 was paid, and the remaining consideration of S\$95,999 shall be paid between December 2021 and February 2022. The consideration shall be satisfied in cash and funded by internal resources of the Group and a hire purchase loan.

BUYER'S ORDERS-III

The principal terms of Buyer's Orders-III are set out as follows:

Date

Two buyer's orders were entered into on 11 September 2021.

Parties

- (1) Optima Carz Leasing Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as purchaser; and
- (2) Komoco Motors Pte. Ltd., as vendor

Subject matter

Under Buyer's Orders-III, the Purchaser agreed to purchase and Vendor-1 agreed to sell, two Hyundai vehicles.

Consideration

The aggregate consideration for the vehicles under Buyer's Orders-III was S\$205,998, which was negotiated between the parties on an arm's length basis and primarily with reference to the prevailing market price of the relevant car models. One vehicles was fully paid. For the remaining one vehicle, a deposit of S\$12,000 was paid, and the remaining consideration of S\$85,999 shall be paid by November 2021. The consideration shall be satisfied in cash and funded by internal resources of the Group and a hire purchase loan.

BUYER'S ORDERS-IV

The principal terms of Buyer's Orders-IV are set out as follows:

Date

Three buyer's orders were entered into on 15 September 2021.

Parties

- (1) Optima Carz Leasing Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as purchaser; and
- (2) Komoco Motors Pte. Ltd., as vendor

Subject matter

Under Buyer's Orders-IV, the Purchaser agreed to purchase and Vendor-1 agreed to sell, three Hyundai vehicles.

Consideration

The aggregate consideration for the vehicles under Buyer's Orders-IV was S\$272,997, which were negotiated between the parties on an arm's length basis and primarily with reference to the prevailing market price of the relevant car models. Two vehicles were fully paid. For the remaining one vehicle, a deposit of S\$12,000 was paid, and the remaining consideration of S\$78,999 shall be paid by November 2021. The consideration shall be satisfied in cash and funded by internal resources of the Group and by a hire purchase loan.

BUYER'S ORDERS-V

The principal terms of Buyer's Orders-V are set out as follows:

Date

Four buyer's orders were entered into on 25 October 2021.

Parties

- (1) Optima Carz Leasing Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as purchaser; and
- (2) Komoco Motors Pte. Ltd., as vendor

Subject matter

Under Buyer's Orders– V, the Purchaser agreed to purchase and Vendor-1 agreed to sell, four Hyundai vehicles.

Consideration

The aggregate consideration for the vehicles under Buyer's Orders-V was S\$375,996, which were negotiated between the parties on an arm's length basis and primarily with reference to the prevailing market price of the relevant car models. A total deposit of S\$48,000 shall be paid by 27 October 2021 and the remaining consideration of S\$327,996 shall be paid between November 2021 and January 2022. The consideration shall be satisfied in cash and funded by internal resources of the Group and a hire purchase loan.

II. THE NISSAN PURCHASE

The Board is pleased to announce that during the period from 8 September 2021 to 25 October 2021, the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the standard Vehicle Sale and Purchase Agreements with Vendor-2, pursuant to which the Purchaser has agreed to purchase and Vendor-2 has agreed to sell in aggregate thirteen Nissan vehicles at an aggregate consideration of S\$1,316,000.

VEHICLE SALE AND PURCHASE AGREEMENTS-I

The principal terms of Vehicle Sale and Purchase Agreements-I are set out as follows:

Date

Two vehicle sale and purchase agreements were entered into on 8 September 2021.

Parties

- (1) Optima Carz Leasing Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as purchaser; and
- (2) Tan Chong Motor Sales Pte Ltd, as vendor

Subject matter

Under Vehicle Sale and Purchase Agreements-I, the Purchaser agreed to purchase and Vendor-2 agreed to sell, two Nissan vehicles.

Consideration

The aggregate consideration for the two vehicles under Vehicle Sale and Purchase Agreements-I was S\$206,000, which was negotiated between the parties on an arm's length basis and primarily with reference to the prevailing market price of the relevant car models. The consideration was fully satisfied in cash and funded by internal resources of the Group.

VEHICLE SALE AND PURCHASE AGREEMENTS-II

The principal terms of Vehicle Sale and Purchase Agreements-II are set out as follows:

Date

Three vehicle sale and purchase agreements were entered into on 15 September 2021.

Parties

- (1) Optima Carz Leasing Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as purchaser; and
- (2) Tan Chong Motor Sales Pte Ltd, as vendor

Subject matter

Under Vehicle Sale and Purchase Agreements-II, the Purchaser agreed to purchase and Vendor-2 agreed to sell, three Nissan vehicles.

Consideration

The aggregate consideration for the three vehicles under Vehicle Sale and Purchase Agreements-II was S\$306,000, which was negotiated between the parties on an arm's length basis and primarily with reference to the prevailing market price of the relevant car models. The consideration was fully satisfied in cash and funded by internal resources of the Group and hire purchase loans.

VEHICLE SALE AND PURCHASE AGREEMENTS-III

The principal terms of Vehicle Sale and Purchase Agreements-III are set out as follows:

Date

Three vehicle sale and purchase agreements were entered into on 13 October 2021.

Parties

- (1) Optima Carz Leasing Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as purchaser; and
- (2) Tan Chong Motor Sales Pte Ltd, as vendor

Subject matter

Under Vehicle Sale and Purchase Agreements-III, the Purchaser agreed to purchase and Vendor-2 agreed to sell, three Nissan vehicles.

Consideration

The aggregate consideration for the three vehicles under Vehicle Sale and Purchase Agreements-III was S\$304,000, which was negotiated between the parties on an arm's length basis and primarily with reference to the prevailing market price of the relevant car models. Two vehicles were fully paid. For the remaining one vehicle, a deposit of S\$20,400 was paid and the remaining consideration of S\$81,600 shall be paid before the delivery of the vehicle. The consideration shall be satisfied in cash and funded by internal resources of the Group and hire purchase loans.

VEHICLE SALE AND PURCHASE AGREEMENTS-IV

The principal terms of Vehicle Sale and Purchase Agreements-IV are set out as follows:

Date

Five vehicle sale and purchase agreements were entered into on 25 October 2021.

Parties

- (1) Optima Carz Leasing Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as purchaser; and
- (2) Tan Chong Motor Sales Pte Ltd, as vendor

Subject matter

Under Vehicle Sale and Purchase Agreements-IV, the Purchaser agreed to purchase and Vendor-2 agreed to sell, five Nissan vehicles.

Consideration

The aggregate consideration for the five vehicles under Vehicle Sale and Purchase Agreements-IV is S\$500,000, which was negotiated between the parties on an arm's length basis and primarily with reference to the prevailing market price of the relevant car models. A total deposit of S\$50,000 shall be paid by 27 October 2021 and the remaining consideration of S\$450,000 shall be paid before the delivery of the vehicles. The consideration shall be satisfied in cash and funded by internal resources of the Group and hire purchase loans.

VALUE OF THE VEHICLES

The aggregate book value of the all the vehicles purchased under the Buyer's Orders and the Vehicle Sale and Purchase Agreements is S\$2,668,287, which is equivalent to their aggregate purchase price.

INFORMATION OF THE GROUP

The principal activity of the Company is investment holding. 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 Purchaser is a company incorporated in Singapore with limited liability and is an indirect wholly-owned subsidiary of the Company. The Purchaser is principally engaged in providing passenger land transport and offering renting and leasing of private cars without operator.

INFORMATION OF VENDOR-1

Vendor-1 is a company incorporated in Singapore and is principally engaged in repair and maintenance of motor vehicles (including installation of parts and accessories) and retail sale of motor vehicles except motorcycles and scooters.

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, as at the date of this announcement, Vendor-1 is directly wholly-owned by Komoco Holdings Pte Ltd, which is in turn owned as to 47.5% by Moco Private Limited, as to 27.5% by Rizona (Hong Kong) Limited, as to 12.5% by Leroy Singapore Pte Ltd, as to 5% by 8888 Investments Pte Ltd, as to 3.5% by Ong Cheng Sim Melissa, as to 2% by Ong Beng Huat, and as to 2% by Richard Campbell Mitchelson. Moco Private Limited is ultimately beneficially owned as to approximately 80.0% by Ong Beng Seng and as to approximately 20.0% by Christina Fu Mrs Christina Ong. Rizona (Hong Kong) Limited is ultimately beneficially owned as to 0.1% by Ong Beng Huat and as to 99.9% by Lakeshire Company Limited (a company whose address is in Marshall Islands and the ultimate beneficial owner(s) of which is/are not disclosed by Vendor-1). Leroy Singapore Pte Ltd is ultimately beneficially owned as to 50% by each of Ong Jenn and Ong Sek Hian. 8888 Investments Pte Ltd is ultimately beneficially owned as to 20% (for ordinary shares) by each of Chua Hwee Meng, Teo Hock Seng, Teo Lok Tsong Terence, Teo Lok Wan Trevor and Teo Tsu In, Tracy; and as to 25% (for preference shares) by each of Chua Hwee Meng, Teo Lok Tsong Terence, Teo Lok Wan Trevor and Teo Tsu In, Tracy.

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, as at the date of each of the Buyer's Orders, Vendor-1 and its ultimate beneficial owners are Independent Third Parties.

INFORMATION OF VENDOR-2

Vendor-2 is a company incorporated in Singapore and is principally engaged in repair and maintenance of motor vehicles (including installation of parts and accessories), sales of spare parts, and retail sale of motor vehicles except motorcycles and scooters.

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, as at the date of this announcement, Vendor-2 is indirectly wholly-owned by Tan Chong International Limited, a company listed on the Stock Exchange (stock code: 693).

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, as at the date of each of the Vehicle Sale and Purchase Agreements, Vendor-2 and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE PURCHASE

As disclosed above, the Group is principally engaged in, among others, offering short-term and long-term car rental services. The vehicles purchased under the Buyer's Orders and the Vehicle Sale and Purchase Agreements are/will be used by the Group in its car rental services business. With the COVID-19 pandemic, the Group has noticed a group of consumers in Singapore who prefer the use of personal vehicles to travel instead of public transport as it is perceived to be safer and would reduce the chance of contracting the virus. The cost of car ownership in Singapore is high, including additional registration fee (ARF) and excise duty imposed on all cars during registration, Goods and Services Tax, the certificate of entitlement (COE) and operating costs such as insurance, road tax and the costs of loan servicing. The increase in the COE prices recently with premiums for cars exceeding the S\$70,000 mark for the first time in more than six years has further pushed up the cost of cars ownership in Singapore. As such, the Group has observed an increase in the demand for car rental as an alternative to car ownership. In recent months, the Group has also received numerous inquiries from expatriates and companies for both short-term and long-term car rental with the opening of the Singapore borders to more countries for quarantine-free travel.

As such, the Group plans to grow the business for both short-term and long-term rental services by growing the rental fleet through purchase of more vehicles.

The Directors consider that the terms for the Buyer's Orders and the Vehicle Sale and Purchase Agreements are on normal commercial terms, fair and reasonable, and the entering into of the Buyer's Orders and the Vehicle Sale and Purchase Agreements is in the interest of the Company and its Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the Buyer's Orders were entered into by the Purchaser with the same party Vendor-1 and are all expected to complete within a 12-month period, according to Rules 19.22 and 19.23 of the GEM Listing Rules, the transactions contemplated under the Buyer's Orders shall be aggregated as a series of transactions and treated as if they were one transaction. As one or more of the applicable percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the Hyundai Purchase exceeds 5% but all of the percentage ratios are less than 25%, the transactions contemplated under the Buyer's Orders constitute discloseable transactions for the Group under Chapter 19 of the GEM Listing Rules and are subject to the reporting and announcement requirements but are exempted from the Shareholders' approval requirement under the GEM Listing Rules.

As the Vehicle Sale and Purchase Agreements were entered into by the Purchaser with the same party Vendor-2 and are all expected to complete within a 12-month period, according to Rules 19.22 and 19.23 of the GEM Listing Rules, the transactions contemplated under the Vehicle Sale and Purchase Agreements shall be aggregated as a series of transactions and treated as if they were one transaction. As one or more of the applicable percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the Nissan Purchase exceeds 5% but all of the percentage ratios are less than 25%, the transactions contemplated under the Vehicle Sale and Purchase Agreements constitute discloseable transactions for the Group under Chapter 19 of the GEM Listing Rules and are subject to the reporting and announcement requirements but are exempted from the Shareholders' approval requirement under the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Buyer’s Orders”	Collectively, Buyer’s Order-I, Buyer’s Orders-II, Buyer’s Orders-III, Buyer’s Orders-IV and Buyer’s Orders-V
“Buyer’s Order-I”	the buyer’s order dated 18 July 2021 entered into between the Purchaser and Vendor-1 in respect of the sale and purchase of one vehicle
“Buyer’s Orders-II”	the four buyer’s orders dated 7 September 2021 entered into between the Purchaser and Vendor-1 in respect of the sale and purchase of four vehicles
“Buyer’s Orders-III”	the two buyer’s orders dated 11 September 2021 entered into between the Purchaser and Vendor-1 in respect of the sale and purchase of two vehicles
“Buyer’s Orders-IV”	the three buyer’s orders dated 15 September 2021 entered into between the Purchaser and Vendor-1 in respect of the sale and purchase of three vehicles
“Buyer’s Orders-V”	the four buyer’s orders dated 25 October 2021 entered into between the Purchaser and Vendor-1 in respect of the sale and purchase of four vehicles
“Company”	Optima Automobile Group Holdings Limited (傲迪瑪汽車集團控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on GEM (Stock Code: 8418)
“Director(s)”	the director(s) of the Company

“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hyundai Purchase”	collectively, the purchase of fourteen Hyundai vehicles by the Purchaser from Vendor-1 pursuant to the Buyer’s Orders
“Independent Third Party(ies)”	any person(s) or company(ies) which is a third party, independent of and not connected with the Company and its connected person(s) in accordance with the GEM Listing Rules
“Nissan Purchase”	collectively, the purchase of thirteen Nissan vehicles by the Purchaser from Vendor-2 pursuant to the Vehicle Sale and Purchase Agreements
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Optima Carz Leasing Pte. Ltd., a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vehicle Sale and Purchase Agreements”	Collectively, Vehicle Sale and Purchase Agreements-I, Vehicle Sale and Purchase Agreements-II, Vehicle Sale and Purchase Agreements-III and Vehicle Sale and Purchase Agreements-IV
“Vehicle Sale and Purchase Agreements-I”	the two vehicle sale and purchase agreements dated 8 September 2021 entered into between the Purchaser and Vendor-2 in respect of the sale and purchase of two vehicles
“Vehicle Sale and Purchase Agreements-II”	the three vehicle sale and purchase agreements dated 15 September 2021 entered into between the Purchaser and Vendor-2 in respect of the sale and purchase of three vehicles

“Vehicle Sale and Purchase Agreements-III”	the three vehicle sale and purchase agreements dated 13 October 2021 entered into between the Purchaser and Vendor-2 in respect of the sale and purchase of three vehicles
“Vehicle Sale and Purchase Agreements-IV”	the five vehicle sale and purchase agreements dated 25 October 2021 entered into between the Purchaser and Vendor-2 in respect of the sale and purchase of five vehicles
“Vendor-1”	Komoco Motors Pte. Ltd., a company incorporated in Singapore with limited liability
“Vendor-2”	Tan Chong Motor Sales Pte Ltd, a company incorporated in Singapore with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“S\$”	Singapore dollars, the lawful currency of Singapore

By order of the Board
Optima Automobile Group Holdings Limited
Hu Wu’an
Chairman and Executive Director

Hong Kong, 25 October 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; and 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 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 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.