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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 NISSAN PURCHASE

Reference is made to the Previous Vehicle Sale and Purchase Agreements entered into between the Purchaser, an indirect wholly-owned subsidiary of the Company and the Vendor in 2021 in relation to the purchase of in aggregate thirteen Nissan vehicles. Details of the transaction are set out in the 2021 Announcement.

The Board is pleased to announce that on 10 January 2022, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Vehicle Sale and Purchase Agreements with the Vendor, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell in aggregate five Nissan vehicles at an aggregate consideration of S\$556,000.

GEM LISTING RULES IMPLICATIONS

Reference is made to the 2021 Announcement in relation to, among others, the purchase by the Purchaser of in aggregate thirteen Nissan vehicles from the Vendor pursuant to the Previous Vehicle Sale and Purchase Agreements.

As the transactions under the Previous Vehicle Sale and Purchase Agreements and the Vehicle Sale and Purchase Agreements were entered into within a 12-month period and were all conducted between the same parties, i.e. the Vendor and the Purchaser, which is an indirect wholly-owned subsidiary of the Company, the transactions under the Previous Vehicle Sale and Purchase Agreements and the Vehicle Sale and Purchase Agreements shall be aggregated as a series of transactions for the Company pursuant to Rules 19.22 and 19.23 of the GEM Listing Rules, respectively.

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in relation to the Vehicle Sale and Purchase Agreements when aggregated with the Previous Vehicle Sale and Purchase Agreements exceeds 5% but is less than 25%, the transactions under the Vehicle Sale and Purchase Agreements together with the transactions under the Previous Vehicle Sale and Purchase Agreements constitute discloseable transactions for the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the reporting and announcement requirements.

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VEHICLE SALE AND PURCHASE AGREEMENTS

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

Date

10 January 2022

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

Consideration

The aggregate consideration for the five Nissan vehicles under the Vehicle Sale and Purchase Agreements is S\$556,000, 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 of one vehicle has been fully paid. For the remaining four vehicles, a total deposit of S\$40,000 shall be paid by 14 January 2022 and the remaining consideration of S\$404,200 shall be paid before the delivery of the vehicles. The consideration shall be satisfied in cash and funded by internal resources of the Group.

VALUE OF THE VEHICLES

The aggregate book value of the all the vehicles purchased under the Vehicle Sale and Purchase Agreements is S\$556,000, 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 aftermarket 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 THE VENDOR

The Vendor 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, the Vendor 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, the Vendor 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 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 Vehicle Sale and Purchase Agreements are on normal commercial terms, fair and reasonable, and the entering into of the Vehicle Sale and Purchase Agreements is in the interest of the Company and its Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

Reference is made to the 2021 Announcement in relation to, among others, the purchase by the Purchaser of in aggregate thirteen Nissan vehicles from the Vendor pursuant to the Previous Vehicle Sale and Purchase Agreements.

As the transactions under the Previous Vehicle Sale and Purchase Agreements and the Vehicle Sale and Purchase Agreements were entered into within a 12-month period and were all conducted between the same parties, i.e. the Vendor and the Purchaser, which is an indirect wholly-owned subsidiary of the Company, the transactions under the Previous Vehicle Sale and Purchase Agreements and the Vehicle Sale and Purchase Agreements shall be aggregated as a series of transactions for the Company pursuant to Rules 19.22 and 19.23 of the GEM Listing Rules, respectively.

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in relation to the Vehicle Sale and Purchase Agreements when aggregated with the Previous Vehicle Sale and Purchase Agreements exceeds 5% but is less than 25%, the transactions under the Vehicle Sale and Purchase Agreements together with the transactions under the Previous Vehicle Sale and Purchase Agreements constitute discloseable transactions for the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the reporting and announcement requirements.

DEFINITIONS

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

“2021 Announcement”	the announcement of the Company dated 25 October 2021
“Board”	the board of Directors
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 five Nissan vehicles pursuant to the Vehicle Sale and Purchase Agreements and thirteen Nissan vehicles pursuant to the Previous 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
“Previous Vehicle Sale and Purchase Agreements”	collectively, the Previous Vehicle Sale and Purchase Agreements-I, the Previous Vehicle Sale and Purchase Agreements-II, the Previous Vehicle Sale and Purchase Agreements-III and the Previous Vehicle Sale and Purchase Agreements-IV
“Previous Vehicle Sale and Purchase Agreements-I”	the two vehicle sale and purchase agreements dated 8 September 2021 entered into between the Purchaser and the Vendor in respect of the sale and purchase of two Nissan vehicles
“Previous Vehicle Sale and Purchase Agreements-II”	the three vehicle sale and purchase agreements dated 15 September 2021 entered into between the Purchaser and the Vendor in respect of the sale and purchase of three Nissan vehicles
“Previous Vehicle Sale and Purchase Agreements-III”	the three vehicle sale and purchase agreements dated 13 October 2021 entered into between the Purchaser and the Vendor in respect of the sale and purchase of three Nissan vehicles
“Previous Vehicle Sale and Purchase Agreements-IV”	the five vehicle sale and purchase agreements dated 25 October 2021 entered into between the Purchaser and the Vendor in respect of the sale and purchase of five Nissan vehicles

“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
“Vendor”	Tan Chong Motor Sales Pte Ltd, a company incorporated in Singapore with limited liability
“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, 10 January 2022

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.