



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

**Third Quarterly
Report**
2021

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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. Hu Wu'an (*Chairman*)
(appointed on 6 January 2021)
Mr. Ang Lay Keong (Hong Liqiang)
(*Chief Executive Officer*)
Ms. Lim Li Ling (Lin Liling)
Mr. Goh Duo Tzer (Wu Duoze)
Ms. Nie Li
Ms. Lin Xiaojuan

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*
(resigned on 30 September 2021)
Ms. Xu Jiayuan, *HKICPA*
(appointed on 30 September 2021)

AUTHORISED REPRESENTATIVES

Mr. Goh Duo Tzer (Wu Duoze)
Mr. Chan Tsang Mo, *HKICPA*
(resigned on 30 September 2021)
Ms. Xu Jiayuan, *HKICPA*
(appointed on 30 September 2021)

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

Luk Fook Capital (HK) Limited
Units 2201-07 & 2213-14, 22/F,
Cosco Tower, 183 Queen's Road Central,
Hong Kong

PRINCIPAL BANKERS

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12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

United Overseas Bank Limited
80 Raffles Place
UDB Plaza 1, #07-01
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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
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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

THIRD 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 and nine months ended 30 September 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 and nine months ended 30 September 2021

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Revenue	3	19,556	4,764	34,355	10,890
Other income and gains	4	156	157	704	672
Items of expenses					
Cost of materials used		(16,885)	(2,201)	(26,378)	(4,118)
Marketing and advertising expenses		(56)	(88)	(301)	(120)
Employee benefit expenses		(1,446)	(1,009)	(3,860)	(3,108)
Depreciation of property, plant and equipment		(95)	(89)	(266)	(242)
Depreciation of right-of-use assets		(650)	(593)	(1,918)	(1,970)
Impairment of right-of-use assets		-	-	-	(170)
Impairment of trade receivables		-	-	-	(789)
Amortisation of intangible assets		(5)	-	(9)	-
Finance costs	5	(120)	(78)	(287)	(224)
Short term lease expense		(6)	(20)	(19)	(196)
Other expenses		(760)	(480)	(1,831)	(1,409)
Share of joint venture (net of tax)		-	-	(57)	-
Share of associates (net of tax)		(1)	(12)	(129)	-
(Loss)/profit before income tax (expense)/credit	6	(312)	351	4	(784)
Income tax (expense)/credit	7	(14)	(8)	(189)	4
(Loss)/profit for the period		(326)	343	(185)	(780)

	Three months ended 30 September		Nine months ended 30 September	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Other comprehensive income, net of tax				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign operations	18	-	9	-
Share of other comprehensive income of a joint venture	-	-	-	-
Share of other comprehensive income of an associate	(48)	-	(161)	-
Other comprehensive loss for the period, net of tax	(30)	-	(152)	-
Total comprehensive (loss)/income for the period	(356)	343	(337)	(780)
(Loss)/profit attributable to:				
Owners of the Company	(292)	343	(128)	(780)
Non-controlling interests	(34)	-	(57)	-
	(326)	343	(185)	(780)
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(322)	343	(280)	(780)
Non-controlling interests	(34)	-	(57)	-
	(356)	343	(337)	(780)
(Losses)/earnings per share				
- Basic and diluted (SGD Cents)	9	(0.03)	0.04	(0.02)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2021

	Total equity attributable to owners of the Company								
	Share Capital SGD'000	Share premium SGD'000	Merger reserve SGD'000	Other reserve SGD'000	Retained earnings/ (Accumulated losses) SGD'000	Foreign currency exchange reserve SGD'000	Total SGD'000	Non-controlling interest SGD'000	Total Equity SGD'000
Balance as at 31 December 2020 and 1 January 2021 (audited)	1,497	7,187	2,645	(103)	(293)	(5)	10,928	-	10,928
Profit for the period	-	-	-	-	(128)	-	(128)	(57)	(185)
Acquisition of subsidiary	-	-	-	-	-	-	-	1,019	1,019
Other comprehensive income									
Exchange differences on translating foreign operations	-	-	-	-	-	9	9	-	9
Share of other comprehensive income of a joint venture	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of an associate	-	-	-	-	-	(161)	(161)	-	(161)
Balance as at 30 September 2021 (unaudited)	1,497	7,187	2,645	(103)	(421)	(157)	10,648	962	11,610
Balance as at 31 December 2019 and 1 January 2020 (audited)	1,497	7,187	2,645	(103)	496	-	11,722	-	11,722
Loss and total comprehensive income for the period	-	-	-	-	(780)	-	(780)	-	(780)
Balance as at 30 September 2020 (unaudited)	1,497	7,187	2,645	(103)	(284)	-	10,942	-	10,942

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 30 September 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.

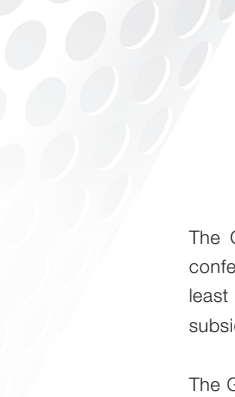
Basis of consolidation

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 30 September		Nine months ended 30 September	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15				
Revenue from after-market automotive services				
Service income	3,073	2,930	8,819	7,840
Warranty income	121	91	363	300
	3,194	3,021	9,182	8,140
Automotive supply income	15,778	1,162	23,344	1,389
Revenue from other sources				
Car rental income	584	581	1,829	1,361
	19,556	4,764	34,355	10,890
Disaggregation by timing of revenue recognition				
Over time	3,194	3,021	9,182	8,140
Point in time	15,778	1,162	23,344	1,389
	18,972	4,183	32,526	9,529

The Group has three reportable segments. The segments are managed separately as each business offers different services and requires different business strategies.

4. OTHER INCOME AND GAINS

	Three months ended 30 September		Nine months ended 30 September	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Government grants	22	136	195	607
Gain on disposal of property, plant and equipment	42	1	42	1
COE and PARF encashment	-	-	-	15
Reversal of impairment of trade receivables	64	3	259	5
Gain on acquisition of subsidiary	-	-	93	-
Others	28	17	115	44
	156	157	704	672

5. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2020 SGD'000 (Unaudited)
Interest element of lease liabilities	58	73	192	204
Interest on bank borrowings	21	5	40	20
Interest on short-term loan	41	-	55	-
	120	78	287	224

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

	Three months ended 30 September		Nine months ended 30 September	
	2021 SGD'000	2020 SGD'000	2021 SGD'000	2020 SGD'000
Profit/(Loss) before income tax (expense)/credit is arrived at after charging/(crediting):				
Auditor's remuneration	18	18	53	53
Cost of inventories recognised as expenses	16,885	2,201	26,378	4,118
Depreciation of right-of-use assets	650	593	1,918	1,970
Depreciation of property, plant and equipment	95	89	266	242
Employee benefit expenses (including directors' emoluments)				
– Salaries, allowances and other benefits	1,327	931	3,549	2,867
– Contributions to defined contribution retirement plan	119	78	311	241
– Total	1,446	1,009	3,860	3,108
Impairment of right-of-use assets	–	–	–	170
Impairment of trade receivables	–	–	–	789
Reversal of impairment of trade receivables	(64)	(3)	(259)	(5)
Bad debts written off	–	1	–	1
Gain on disposal of property, plant and equipment	(42)	(1)	(42)	(1)
Operating lease payments in respect of leased premises	6	(20)	19	(196)

7. INCOME TAX (EXPENSE)/CREDIT

	Three months ended 30 September		Nine months ended 30 September	
	2021 SGD'000	2020 SGD'000	2021 SGD'000	2020 SGD'000
Current tax				
– Current period	14	8	189	8
Deferred tax				
– Over provision in respect of prior periods	–	–	–	(12)
	14	8	189	(4)

Income tax is calculated at 17% and 25% on the estimated assessable profits arising in Singapore and PRC respectively for the nine months ended 30 September 2021.

8. DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2021 (nine months ended 30 September 2020: Nil).

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

	Three months ended 30 September		Nine months ended 30 September	
	2021 SGD'000	2020 SGD'000	2021 SGD'000	2020 SGD'000
The basic and diluted earnings/(losses) per share of the period are calculated based on the following: (Loss)/Profit attributable to owners of the Company for the period	(292)	343	(128)	(780)
Weighted average number of ordinary shares in issue (<i>Note</i>)	850,000,000	850,000,000	850,000,000	850,000,000
Basic and diluted (losses)/earnings per share (SGD cents)	(0.03)	0.04	(0.02)	(0.09)

Note:

For the nine months ended 30 September 2021 and 30 September 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.

Diluted losses per share were the same as basic losses per share as there was no potential dilutive ordinary share in existence during the nine months ended 30 September 2021 and 2020.

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. As at the date of this report, some of the staff has returned to work at the workshop.

Automotive supply income increased by approximately SGD22.0 million for the nine months ended 30 September 2021 (“**PE2021**”) as compared to the nine months ended 30 September 2020 (“**PE2020**”). The increase is mainly due to the Group 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 and the short-term and long-term rental 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, 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 entered into an agreement with Ms. Lin Aisheng, Ms. Wang Kaiqieng and Mr. Zhou Yian (the “**Vendors**”), pursuant to which, the Purchaser agreed to acquire and the Vendors 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 (the “**Acquisition**”). Upon completion, the Target Company has become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Company has been 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, under the background of vigorously promoting the training of youth physical quality in China, it cooperates with China Telecom and China Unicom to jointly create a series of value-added service projects such as a professional physical intelligence testing service platform. 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 SGD34.4 million for PE2021 as compared approximately to SGD10.9 million for PE2020, an increase of approximately SGD23.5 million. The increase was mainly attributable to (i) an increase in sales of passenger car spare parts, accessories, automotive equipment and automobiles of approximately SGD21.8 million and SGD0.2 million attributable mainly to related business in Mainland China and Singapore respectively; (ii) an increase in aftermarket automotive service income of approximately SGD1.0 million; (iii) an increase in car rental income of approximately SGD0.5 million.

Cost of materials used

In PE2021, the cost of materials used increased by approximately SGD22.3 million as compared to PE2020. This was mainly attributable to (i) increase in sales of automobile spare parts, accessories, equipment, and automobiles to customers related to business in Mainland China which amounted to approximately SGD21.7 million; (ii) increase in materials used in relation to aftermarket automotive service and sales of passenger car spare parts, accessories for Singapore amounted to approximately SGD0.6 million. The increase of cost of materials used in providing after-market automobile services was brought about by the increase in related sales and the slight increase in average purchase prices from our vendors.

Marketing and advertising expenses

The increase in marketing and advertising expenses from approximately SGD0.1 million in PE2020 to SGD0.3 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.

Employee benefit expenses

In PE2021, the employee benefit expenses increased by approximately SGD0.8 million as compared to PE2020. This is due to a salary cut as part of the Group's cost control measures to mitigate the adverse impact from COVID-19 outbreak in PE2020. The salary cut was reverted in Q3 of PE2020. In addition, there was an interim bonus of approximately SGD0.1 million and an overall increase in staff headcount.

Impairment of trade receivables

In PE2021, the impairment of trade receivables decreased by approximately SGD0.8 million as compared to PE2020. This is due to an impairment of trade receivables recorded in PE2020 of approximately SGD0.8 million on trade receivables from customers affected by the economic effects brought on by COVID-19 and a long-term car rental customer.

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 SGD0.4 million is mainly due to (i) an exchange gain of SGD0.2 million recorded in PE2020 as compared to an exchange loss of SGD13,000 recorded in PE2021, (ii) an increase in the maintenance cost of car rental and machinery of approximately SGD0.1 million, and (iii) an increase in professional fees of SGD0.1 million.

Income tax (expense)/credit

The Group recorded a tax expense of approximately SGD0.2 million in PE2021 as compared to a tax credit of approximately SGD4,000 in PE2020. This is mainly a result of the current period tax provision for income tax of a subsidiary in Singapore.

Loss and total comprehensive loss for the period

The Group recorded a loss and total comprehensive loss for PE2021 of approximately SGD0.1 million and SGD0.3 million respectively as compared to a loss and total comprehensive loss for PE2020 of approximately SGD0.8 million. The reduction in loss and total comprehensive loss for PE2021 is mainly due to combined effects of the decrease in impairment of trade receivables and right of use and increase in revenue offset by increase in cost of materials used.

Dividends

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2021 (nine months ended 30 September 2020: Nil).

CHARGE ON GROUP'S ASSETS

As at 30 September 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 30 September 2021, all Net Proceeds has been utilised. Details of the use of the Net Proceeds are as follows:

Use of the Net Proceeds	Original allocation (HK\$ million)	Revised allocation of Net Proceeds as at 4 May 2020 (HK\$ million)	Unutilised Net Proceeds up to 31 December 2020 (HK\$ million)	Utilised	Unutilised
				Net Proceeds during the nine months ended 30 September 2021 (HK\$ million)	Net Proceeds up to 30 September 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	0.9	-
Brand building	0.2	0.2	0.2	0.2	-
General working capital	1.3	8.9	-	-	-
	13.2	13.2	1.1	1.1	-

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 30 September 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 30 September 2021	
		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%
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 30 September 2021.
- (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 30 September 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 30 September 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 30 September 2021	
		Number of Shares held	Approximate percentage of Shareholding ⁽¹⁾
Red Link	Beneficial owner	378,798,000	44.56%
Ms. FF Lim ⁽²⁾	Interest in a controlled corporation	378,798,000	44.56%
Mr. Ng Chee Keen ⁽³⁾	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	46,850,000	5.51%

Notes:

- (1) The percentage has been compiled based on the total number of 850,000,000 Shares in issue as at 30 September 2021.
- (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 30 September 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 nine months ended 30 September 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 nine months ended 30 September 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 30 September 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 nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 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 did not have a separate chairman and chief executive officer as Mr. Ang performed these two roles up to 15 August 2021. 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 was not be impaired and this structure would enable the Company to make and implement decisions promptly and effectively.

With effect from 15 August 2021, Mr. Ang has resigned as the chairman of the Board and continues to be an executive Director and chief executive officer. Mr. Hu Wu'an, an executive Director, was selected by the Board to succeed Mr. Ang as the chairman with effect from 15 August 2021.

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 Luk Fook Capital (HK) Limited ("**Luk Fook Capital**") as our compliance adviser with effect from 15 August 2021. Save for the compliance adviser service agreement entered into between the Company and Luk Fook Capital dated 15 August 2021, none of Luk Fook Capital or its directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the Group as at 30 September 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 third quarterly results of the Group for the nine months ended 30 September 2021 have not been audited. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 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.

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

The Directors are not aware of any significant event which had material effect on the Group subsequent to 30 September 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
Hu Wu'an
Chairman and Executive Director

Singapore, 10 November 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.