



**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**  
*2022*



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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*)  
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  
Mr. Chang Li-Chung  
Ms. Yi Jing

#### AUDIT COMMITTEE

Mr. Chu Kin Ming (*Chairman*)  
Mr. Chang Li-Chung  
Ms. Yi Jing

### REMUNERATION COMMITTEE

Ms. Yi Jing (*Chairlady*)  
Mr. Chu Kin Ming  
Mr. Chang Li-Chung

### NOMINATION COMMITTEE

Mr. Chang Li-Chung (*Chairman*)  
Mr. Ang Lay Keong (Hong Liqiang)  
Ms. Yi Jing

### COMPLIANCE OFFICER

Mr. Goh Duo Tzer (Wu Duoze)

### COMPANY SECRETARY

Ms. Xu Jiayuan, *CPA*

### AUTHORISED REPRESENTATIVES

Mr. Goh Duo Tzer (Wu Duoze)  
Ms. Xu Jiayuan, *CPA*

## **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**

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  
17/F, Far East Finance Centre  
16 Harcourt Road  
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)

## 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 2022 with comparative figures for the corresponding periods in 2021 as follows:

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

*For the three months and nine months ended 30 September 2022*

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
<b>Revenue</b>	3	<b>19,882</b>	19,556	<b>61,814</b>	34,355
<b>Other income and gains</b>	4	<b>108</b>	92	<b>639</b>	445
Change in trading inventories		(15,579)	(15,680)	(48,948)	(23,024)
Cost of materials used		(1,514)	(1,205)	(4,205)	(3,354)
Marketing and advertising expenses		(136)	(56)	(330)	(301)
Employee benefit expenses		(1,666)	(1,446)	(4,612)	(3,860)
Depreciation of property, plant and equipment		(268)	(95)	(756)	(266)
Depreciation of right-of-use assets		(653)	(650)	(1,946)	(1,918)
Amortisation of intangible assets		(23)	(5)	(71)	(9)
Impairment of trade receivables		(6)	–	(22)	–
Reversal of impairment of trade receivables		213	64	213	259
Reversal of impairment of other receivables		–	–	41	–
Finance costs	5	(116)	(120)	(353)	(287)
Short-term lease expenses		(13)	(6)	(44)	(19)
Other expenses	6	(783)	(760)	(2,500)	(1,831)
Share of results of a joint venture		–	–	–	(57)
Share of results of an associate		–	(1)	79	(129)
(Loss)/Profit before income tax expense		(554)	(312)	(1,001)	4
Income tax expense	7	(1)	(14)	(111)	(189)
(Loss)/Profit for the year	6	(555)	(326)	(1,112)	(185)

Notes	Three months ended 30 September		Nine months ended 30 September	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 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	(92)	18	(159)	9
Share of other comprehensive income of an associate	(1)	(48)	(14)	(161)
Other comprehensive income for the year, net of tax	(93)	(30)	(173)	(152)
Loss and total comprehensive income for the year, net of tax	(648)	(356)	(1,285)	(337)
Loss attributable to:				
Owners of the Company	(486)	(292)	(874)	(128)
Non-controlling interests	(69)	(34)	(238)	(57)
	(555)	(326)	(1,112)	(185)
Total comprehensive income attributable to:				
Owners of the Company	(542)	(322)	(983)	(280)
Non-controlling interests	(106)	(34)	(302)	(57)
	(648)	(356)	(1,285)	(337)
Losses per share				
– Basic and diluted (SGD cents)	(0.06)	(0.03)	(0.10)	(0.02)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2022

	Total equity attributable to owners of the Company								
	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	Total SGD'000	Non-controlling interests SGD'000	Total SGD'000
<b>Balance as at 1 January 2022 (audited)</b>	1,497	7,187	2,645	(103)	(719)	(611)	9,896	727	10,623
Loss for the period	-	-	-	-	(874)	-	(874)	(238)	(1,112)
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	(95)	(95)	(64)	(159)
Share of other comprehensive income of an associate	-	-	-	-	-	(14)	(14)	-	(14)
<b>Total other comprehensive income for the period</b>	-	-	-	-	-	(109)	(109)	(64)	(173)
<b>Balance as at 30 September 2022 (unaudited)</b>	1,497	7,187	2,645	(103)	(1,593)	(720)	8,913	425	9,338
<b>Balance as at 1 January 2021 (audited)</b>	1,497	7,187	2,645	(103)	(293)	(5)	10,928	-	10,928
Loss 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 an associate	-	-	-	-	-	(161)	(161)	-	(161)
<b>Total other comprehensive income for the period</b>	-	-	-	-	-	(152)	(152)	-	(152)
<b>Balance as at 30 September 2021 (unaudited)</b>	1,497	7,187	2,645	(103)	(421)	(157)	10,648	962	11,610



# 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 2022, 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 intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure or rights to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. 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	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>				
Service income	3,225	3,073	9,160	8,819
Warranty income	68	121	510	363
Automotive supply income	15,742	15,778	49,416	23,344
Education business service income	42	–	249	–
<b>Revenue from other sources</b>				
Car rental income	805	584	2,479	1,829
	<b>19,882</b>	<b>19,556</b>	<b>61,814</b>	<b>34,355</b>
<b>Disaggregation by timing of revenue recognition</b>				
Over time	3,293	3,194	9,670	9,182
Point in time	15,784	15,778	49,665	23,344
	<b>19,077</b>	<b>18,972</b>	<b>59,335</b>	<b>32,526</b>

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

The following summary describes the operations in each of the Group's reportable segments:

- After-market automotive services – inspection, repair services and maintenance
- Car rental services – provision of car rental services
- Automotive supply business – trading of motor vehicles and supply of passenger car spare parts, accessories and automotive equipment
- Education business services – data collections and provision of management platform service

#### 4. OTHER INCOME AND GAINS

	Three months ended 30 September		Nine months ended 30 September	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
Government grants <i>(Note)</i>	41	22	180	195
Gain on disposal of PPE	23	42	136	42
COE and PARF encashment	6	–	57	–
Rental rebates	–	–	–	56
Sponsorship	–	–	186	–
Gain on acquisition of subsidiary	–	–	–	93
Others	38	28	80	59
	<b>108</b>	92	<b>639</b>	445

*Note:*

There were no unfulfilled conditions and other contingencies attaching to government grants for income recognised during the period ended 30 September 2022 and 2021.

#### 5. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
Interest element of lease liabilities	65	58	185	192
Interest on bank borrowings	27	21	83	40
Interest on short-term loans wholly repayable within 1 year	24	41	85	55
	<b>116</b>	120	<b>353</b>	287

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

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

	Three months ended 30 September		Nine months ended 30 September	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
Auditor's remuneration	34	18	103	53
Depreciation of property, plant and equipment	268	95	756	266
Depreciation of right-of-use assets	653	650	1,946	1,918
Employee benefit expenses (including director's emoluments)				
– Salaries, allowances and other benefits	1,539	1,327	4,244	3,549
– Contribution to defined contribution retirement plan	127	119	368	311
<b>– Total</b>	<b>1,666</b>	<b>1,446</b>	<b>4,612</b>	<b>3,860</b>
Amortisation of intangible assets	23	5	71	9
Impairment of trade receivables	6	–	22	–
Reversal of impairment of trade receivables	(213)	(64)	(213)	(259)
Reversal of impairment of other receivables	–	–	(41)	–
Short-term lease expenses	13	6	44	19
Other expenses				
– Utilities expense	23	24	65	60
– Cost of services	78	180	230	292
– Vehicle insurance and road tax	192	139	560	311
– Vehicle maintenance and upkeep	21	24	79	76
– Maintenance costs	33	38	106	115
– Merchant fees and bank charges	59	48	171	141
– Office-related expenses	56	53	215	154
– Professional and legal fees	199	212	585	564
– Telecommunication expenses	12	14	37	31
– Refreshments	1	–	2	2
– Research expenses	36	–	333	–
– Other operating expenses	73	29	117	85
<b>Total</b>	<b>783</b>	<b>761</b>	<b>2,500</b>	<b>1,831</b>

## 7. INCOME TAX EXPENSE/(CREDIT)

	Three months ended 30 September		Nine months ended 30 September	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
PRC				
Current tax				
– Current period	7	–	39	6
Singapore				
Current tax				
– Current period	(1)	14	89	183
PRC				
Deferred tax				
– Over provision in respect in respect of prior periods	(5)	–	(17)	–
	<b>1</b>	<b>14</b>	<b>111</b>	<b>189</b>

Singapore profits tax is calculated at 17% on the estimated assessable profits arising in Singapore for the year ended 30 September 2022 (2021: 17%).

Taxes on profits assessable elsewhere have been calculated at the rates prevailing in the relevant jurisdictions for the years ended 30 September 2022 and 2021.

## 8. DIVIDENDS

The Board did not recommend the payment of any dividend for the nine months ended 30 September 2022 (nine months ended 30 September 2021: Nil).

9. LOSSES PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Three months ended 30 September		Nine months ended 30 September	
	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2021 SGD'000 (Unaudited)
The basic and diluted losses per share for the period are calculated based on the following:				
Loss attributable to owners of the Company for the period	(486)	(292)	(874)	(128)
Weighted average number of ordinary shares in issue	850,000,000	850,000,000	850,000,000	850,000,000
Basic and diluted losses per share (SGD cents)	(0.06)	(0.03)	(0.10)	(0.02)

*Note:*

For the period ended 30 September 2022, the calculation of basic losses per share was based on the losses attributable to the owners of the Company and on the basis of the weighted average number of 850,000,000 (2021: 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 period ended 30 September 2022 and 2021.



## 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 (i) the provision of a comprehensive range of after-market automotive services, with a focus on inspection, maintenance and repair services; (ii) offering short-term and long-term car rental services; (iii) trading of motor vehicles and supplying passenger car spare parts, accessories and automotive equipment to customers in Singapore and overseas countries and automobiles to customers in China; and (iv) engaging in education business services, which include data collection and provision of management platform services. 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.\* (湖南傲迪瑪汽車有限公司) 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.

In 2021, 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 political situation and declaration of martial law in some areas of Yangon. To ensure the safety of all staff, they were advised to work from home until the situation improves. As at the date of this report, OWMS has resumed business and the staff has returned to work at the workshop.

The Group's automotive supply income increased by approximately SGD26.1 million for the nine months ended 30 September 2022 ("**PE2022**") to approximately SGD49.4 million as compared to approximately SGD23.3 million for the nine months ended 30 September 2021 ("**PE2021**"). The increase is mainly due to the increase in sales to supply automobile spare parts, accessories, equipment and automobiles to customers in Mainland China for PE2022 as compared to PE2021. The Group's after-market automotive services revenue increased by approximately SGD0.5 million as there was a recovery in PE2022 from the COVID-19 control measures in PE2021 and the car rental business revenue has increased by approximately SGD0.6 million as compared to PE2021. In addition, with the inclusion of a new education business on 29 April 2021, the education business generated revenue of approximately SGD0.2 million in PE2022.

## 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 and seek any feasible business segment expansions, such as biological health, new retail, e-commerce, franchise management etc. which is suitable for the Group's market diversifications into the PRC.

On 29 April 2021, Shenzhen Bainian Health Biotechnology Co., Ltd.\* (深圳百年健康生物科技有限公司) ("**Shenzhen Bainian**"), 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, Shenzhen Bainian 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) ("**Hunan Maliang**") at the total consideration of RMB5,077,840 (the "**Acquisition**"), which has been settled by the Group on 8 May 2021. Upon completion, Hunan Maliang has become an indirect non-wholly owned subsidiary of the Company and the financial results of Hunan Maliang 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 2021, 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 its 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.

Hunan Maliang 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. Hunan Maliang 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 Hunan Maliang since 2017; and (iii) the increasing number of strategic cooperation agreements signed by Hunan Maliang with kindergarten and other corporations. The Group believes that the Acquisition is strategically beneficial for the Group to (i) leverage on Hunan Maliang 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.

In 2021, the Singapore government announced the Singapore Green Plan 2030 where there are various initiatives related to the transportation and automotive industries. This includes the promotion of switching to cleaner-energy vehicles, especially Electric Vehicles ("EV") as this is the most promising clean-energy vehicle technology up to date. To prepare the Group for the new market developments and challenges that come with the new breed of vehicles, the Group will continue to acquire new technology and equipment and upgrade the skills of our vehicle specialists.

## **FINANCIAL REVIEW**

### **Revenue**

The revenue of the Group was approximately SGD61.8 million for PE2022 as compared to approximately SGD34.4 million for PE2021, representing an increase of approximately SGD27.4 million. The increase was mainly attributable to (i) an increase in sales of passenger car spare parts, accessories, automotive equipment, and automobiles of approximately SGD25.8 million and SGD0.3 million attributable mainly to related business in Mainland China and Singapore respectively. (ii) an increase in aftermarket automotive service income of approximately SGD0.5 million. (iii) an increase in car rental income of approximately SGD0.6 million; and (iv) an increase in education business service income of approximately SGD0.2 million arising from the acquisition in PE2021.

### **Cost of material used and change in trading inventories**

In PE2022, the cost of materials used and change in trading inventories increased by approximately SGD26.8 million from approximately SGD26.4 million in PE2021 to approximately SGD53.2 million in PE2022. This was mainly due to the increase in supply of automobile spare parts, accessories, equipment, and automobiles by related business in Mainland China of approximately SGD25.7 million. The average purchase prices of our cost of materials used in providing after-market automobile services have increased due to price increases by vendors.

### **Employee benefit expenses**

The employee benefit expenses increased by approximately SGD0.7 million from approximately SGD3.9 million in PE2021 to approximately SGD4.6 million in PE2022. This was due to (i) the inclusion of the subsidiary related to the education business in May 2021, amounting to approximately SGD134,000; and (ii) overall increase in staff headcount from Singapore and PRC operations.

## **Depreciation of property, plant and equipment**

The increase in depreciation of property, plant and equipment by approximately SGD0.5 million from approximately SGD0.3 million in PE2021 to approximately SGD0.8 million in PE2022 was mainly due to the increase in motor vehicles purchased for the rental vehicle fleet.

## **Amortisation of intangible assets**

The increase in amortisation of intangible assets in PE2022 was due to the inclusion of software development system relating to the education business in May 2021.

## **Finance costs**

The increase in finance costs of approximately SGD66,000 from approximately SGD287,000 in PE2021 to approximately SGD353,000 in PE2022 was due to borrowings drawn for the purchase of motor vehicles for the rental vehicle fleet.

## **Other expenses**

The increase in other expenses of approximately SGD0.7 million from approximately SGD1.8 million in PE2021 to approximately SGD2.5 million in PE2022 was mainly due to the following:

- (i) the increase in vehicle insurance and road tax of approximately SGD0.2 million in PE2022 which was due to higher insurance premium charged by the Group's rental fleet insurance provider coupled with the increase in rental vehicle fleet.
- (ii) the increase in merchant fees and bank charges of approximately SGD30,000 in PE2022 was due to overall increase in operations in both Singapore and mainland China.
- (iii) the increase in office related expenses of approximately SGD61,000 in PE2022 was mainly due to the increase in professional fees amounting to SGD20,000 and the overall increase in travelling and transportation expenses.

- (iv) the research expenses amounting to approximately SGD0.3 million in PE2022 relating to manpower costs incurred for the research of education platform business segment.

## **Loss and total comprehensive loss for the period**

The Group recorded a loss and total comprehensive loss for PE2022 of approximately SGD1.1 million and SGD1.3 million respectively as compared to a loss and total comprehensive loss for PE2021 of approximately SGD0.2 million and SGD0.3 million respectively. The increase in loss and total comprehensive loss for PE2022 is mainly due to combined effects of the increased expenses of (i) employee benefit expenses brought about by the increase in overall headcount, (ii) depreciation of property, plant and equipment, vehicle insurance and road tax as a result from the increase in the group's rental fleet and; (iii) research expenses arising from the education business in PRC.

## **Dividends**

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2022 (nine months ended 30 September 2021: Nil).

## **CHARGE ON GROUP'S ASSETS**

As at 30 September 2022, 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.

## 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 2022, 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 2022	
		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 30 September 2022.
- (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 2022, 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 2022, 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 2022	
		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	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 2022.
- (2) This represents the shares held by Red Link, a company that is beneficially owned by 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 2022, 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 2022, 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 2022.

## **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 2022.

## 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 2022 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 2022 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 2022 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. The Board has reviewed the Company's corporate governance practices and has formed the opinion that the Company throughout the nine months ended 30 September 2022 and up to the date of this report, has complied with 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 2022, 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. Yi Jing 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 2022 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 2022 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 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 2022 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 2022

*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. Yi Jing and Mr. Chang Li-Chung.*

\* *For identification purpose only*