



Optima Automobile Group Holdings Limited

傲迪瑪汽車集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8418

FIRST QUARTERLY REPORT **2023**



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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

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
*(Public Interest Entity Auditor registered
in accordance with the Financial
Reporting Council Ordinance)*
31/F, Gloucester Tower
The Landmark, 11 Pedder Street, 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

Headquarters
159 Sin Ming Road
#04-05 Amtech Building
Singapore 575625

Principal place of business in Singapore
600 Sin Ming Avenue #03-00
Singapore 575733

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

18/F, Ovest
77 Wing Lok Street
Sheung Wan, Hong Kong

STOCK CODE

8418

COMPANY'S WEBSITE ADDRESS

www.ow.sg

FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2023 with comparative figures for the corresponding periods in 2022 as follows:

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

For the three months ended 31 March 2023

	Notes	Three months ended 31 March	
		2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
Revenue	3	22,870	19,085
Other income and gains	4	164	113
Change in trading inventories		(18,081)	(15,002)
Cost of materials used		(1,539)	(1,262)
Marketing and advertising expenses		(110)	(107)
Employee benefit expenses		(1,519)	(1,470)
Depreciation of property, plant and equipment		(376)	(226)
Depreciation of right-of-use assets		(562)	(658)
Amortisation of intangible assets		(23)	(24)
Impairment losses under expected credit loss model on trade receivables, net of reversal		(13)	(11)
Finance costs	5	(95)	(108)
Short-term lease expenses		(21)	(15)
Other expenses	6	(771)	(759)
Share of results of an associate		27	60
Loss before income tax expense		(49)	(384)
Income tax expense	7	(53)	(31)
Loss for the period	6	(102)	(415)

	Three months ended 31 March	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
Notes		
Other comprehensive income, net of tax		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations	47	14
Share of other comprehensive income of an associate	(29)	3
Other comprehensive income for the period, net of tax	18	17
Loss and total comprehensive income for the period, net of tax	(84)	(398)
Loss attributable to:		
Owners of the Company	(45)	(326)
Non-controlling interests	(57)	(89)
	(102)	(415)
Total comprehensive income attributable to:		
Owners of the Company	(32)	(317)
Non-controlling interests	(52)	(81)
	(84)	(398)
Losses per share		
– Basic and diluted (SGD cents)	(0.01)	(0.04)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	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
Balance as at 31 December 2022 and 1 January 2023 (audited)	1,497	7,187	2,645	(103)	(2,207)	(1,006)	8,013	338	8,351
Loss for the period	-	-	-	-	(45)	-	(45)	(57)	(102)
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	42	42	5	47
Share of other comprehensive income of an associate	-	-	-	-	-	(29)	(29)	-	(29)
Total other comprehensive income for the period	-	-	-	-	-	13	13	5	18
Balance as at 31 March 2023 (unaudited)	1,497	7,187	2,645	(103)	(2,252)	(993)	7,981	286	8,267
Balance as at 31 December 2021 and 1 January 2022 (audited)	1,497	7,187	2,645	(103)	(719)	(611)	9,896	727	10,623
Loss for the period	-	-	-	-	(326)	-	(326)	(89)	(415)
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	6	6	8	14
Share of other comprehensive income of an associate	-	-	-	-	-	3	3	-	3
Total other comprehensive income for the period	-	-	-	-	-	9	9	8	17
Balance as at 31 March 2022 (unaudited)	1,497	7,187	2,645	(103)	(1,045)	(602)	9,579	646	10,225

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 600 Sin Ming Avenue #03-00, Singapore 575733. 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, car rental business and supply of passenger car spare parts, accessories and automotive equipment in Singapore, trading of motor vehicles, sale of hardware and equipment and provision of management platform services in education business in the People’s Republic of China (the “**PRC**”). As at 31 March 2023, the immediate holding company of the Company was Red Link International Limited, a limited liability incorporated in the British Virgin Islands. The Directors 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 non-controlling 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 post acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss. Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the Group has rights to only the net assets of the joint arrangement; or
- Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint agreement. In assessing the classification of interests in joint arrangements, the Group considers:
 - the structure of the joint arrangement;
 - the legal form of joint arrangements structured through a separate vehicle;
 - the contractual terms of the joint arrangement agreement; and
 - any other facts and circumstances (including any other contractual arrangements). The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method). The Group accounts for its interests joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations."

3. REVENUE

	Three months ended 31 March	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Service income	3,414	3,000
Warranty income	61	143
Automotive supply income	18,362	15,136
Education business service income	–	2
Sale of hardware and equipment	15	–
Revenue from other sources		
Car rental income	1,018	804
	22,870	19,085
Disaggregation by timing of revenue recognition		
Over time	3,475	3,145
Point in time	18,377	15,136
	21,852	18,281

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 – sale of hardware and equipment, data collection and provision of management platform service relating to education business

4. OTHER INCOME AND GAINS

	Three months ended 31 March	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
Government grants (Note)	163	76
Gain on disposal of PPE	1	6
COE and PARF encashment	–	31
	164	113

Note:

There were no unfulfilled conditions and other contingencies attaching to government grants for income recognised during the period ended 31 March 2023 and 2022.

5. FINANCE COSTS

	Three months ended 31 March	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
Interest element of lease liabilities	54	55
Interest on bank borrowings	24	28
Interest on short-term loans wholly repayable within 1 year	17	25
	95	108

6. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging:

	Three months ended 31 March	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
Auditor's remuneration	38	26
Depreciation of property, plant and equipment	376	226
Depreciation of right-of-use assets	562	658
Employee benefit expenses (including director's emoluments)		
– Salaries, allowances and other benefits	1,404	1,338
– Contribution to defined contribution retirement plan	115	132
– Total	1,519	1,470
Amortisation of intangible assets	23	24
Maintenance costs	295	245
Impairment losses under expected credit loss model on trade receivables, net of reversal	(13)	(11)
Short-term lease expenses	21	15

7. INCOME TAX EXPENSE

	Three months ended 31 March	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
PRC		
Current tax		
– Current period	(19)	(13)
Singapore		
Current tax		
– Current period	(40)	(18)
PRC		
Deferred tax		
– Over provision in respect in respect of prior periods	6	–
	(53)	(31)

Singapore profits tax is calculated at 17% on the estimated assessable profits arising in Singapore for the three months ended 31 March 2023 (2022: 17%).

Taxes on profits assessable elsewhere have been calculated at the rates prevailing in the relevant jurisdictions for the three months ended 31 March 2023 and 2022.

8. DIVIDENDS

The Board did not recommend the payment of any dividend for the three months ended 31 March 2023 (three months ended 31 March 2022: Nil).

9. LOSSES PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Three months ended 31 March	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
The basic and diluted earnings/(losses) per share for the period are calculated based on the following:		
Loss attributable to owners of the Company for the period	(45)	(326)
Weighted average number of ordinary shares in issue	850,000,000	850,000,000
Basic and diluted earning/(losses) per share (SGD cents)	(0.01)	(0.04)

Note:

For the three months ended 31 March 2023, the calculation of basic earnings 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 (2022: 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 three months ended 31 March 2023 and 2022.

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) supplying passenger car spare parts, accessories and automotive equipment to customers in Singapore and overseas countries and automobiles to customers in China; and (iv) sale of hardware and equipment, data collection and provision of management platform service relating to education business. 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.

The Group's parallel imported vehicles and related businesses in Mainland China, by its wholly-owned subsidiary Hunan Optima Automobile Co., Ltd.* (湖南傲迪瑪汽車有限公司) is mainly 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.

The Company also owns a 35% interest in an associate, Optima Werkz Myanmar Services Co., Ltd., which is engaged in the business of repairs and maintenance of motor vehicles, including installation of parts and accessories, in Yangon, Myanmar.

The Group's automotive supply income increased by approximately SGD3.3 million for the three months ended 31 March 2023 ("**PE2023**") to approximately SGD18.4 million as compared to approximately SGD15.1 million for the three months ended 31 March 2022 ("**PE2022**"). The increase is mainly due to the increase in sales to supply automobile spare parts, accessories, equipment and automobiles to customers in Mainland China and Singapore for PE2023 as compared to PE2022 by approximately SGD2.9 million and SGD0.4 million respectively. The Group's after-market automotive services revenue increased by approximately SGD0.3 million due to the gradual recovery of the Singapore market in general and the car rental business revenue has increased by approximately SGD0.2 million as compared to PE2022.

OUTLOOK

The Group remains cautious of the protracted COVID-19 pandemic, changing market conditions and unstable economic environment and is aware of the challenges that lie ahead in 2023. 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 diversification efforts into the PRC.

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 to date. With the increasing focus on sustainability and environmental responsibility and 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

Revenue for the Group was SGD22.9 million for PE2023, as compared to SGD19.1 million for PE2022, an increase of approximately SGD3.8 million. The increase was mainly attributable to:

- (i) Increase in sales of passenger car spare parts, accessories and automobiles of approximately SGD3.3 million during PE2023 as compared to PE2022. This mainly due to the increase in sales of supply automobile spare parts, accessories, equipment and automobiles to customers in Mainland China for PE2023 as compared to PE2022.
- (ii) Increase in after-market automotive services income of approximately SGD0.3 million in PE2023 due to a recovery of market as compared to PE2022 as Singapore has further eased COVID restriction measurements in end PE2022.
- (iii) Increase in car rental income of approximately SGD0.2 million in PE2023. This is due to the combined effects of an increase in rental fleet of the group and a market recovery as a result from further easing of COVID restriction measurements in late PE2022.

Cost of materials used and change in trading inventories

In PE2023, the cost of materials used and change in trading inventories increased by approximately SGD3.3 million from SGD16.3 million in PE2022 to SGD19.6 million in PE2023. This was mainly due to the increase in cost of materials used in relation to the increase in supply of automobile spare parts, accessories, equipment and automobiles to customers in Mainland China and the increase in cost of materials used in after market automotive supply.

Other income and gains

In PE2023, other income and gains increased by approximately SGD51,000 from SGD113,000 in PE2022 to SGD164,000 in PE2023, which was mainly due to the increase in government grants received in PE2023 of approximately SGD87,000, which was partially offset by the decrease in COE and PARF encashment from vehicle deregistration in PE2023.

Employee benefits expenses

In PE2023, the employee benefit expenses increased by approximately SGD49,000. This is due to the increase in overall headcount of the group.

Depreciation of property, plant and equipment and right-of-use assets

The increase in overall depreciation of property, plant and equipment and right-of-use assets of approximately SGD54,000 was due to an increase in depreciation of property, plant and equipment of approximately SGD150,000, which was partially offset by a decrease in depreciation of right-of-use assets of approximately SGD96,000 which was in turn due to the transfer of right of use assets to property, plant and equipment upon the completion of financing obligations.

Finance costs

The decrease in finance cost of approximately SGD13,000 from SGD108,000 in PE2022 to SGD95,000 in PE 2023 was mainly due to a revision of interest rate arising from short term loans in PE2023.

Income tax expense

The Group recorded a tax expense of approximately SGD53,000 in PE2023 as compared to SGD31,000 in PE2022. The tax expense resulted from the current period income tax of a subsidiary each in Mainland China and Singapore.

Loss and total comprehensive income for the period

The Group recorded a loss and total comprehensive income of approximately SGD102,000 and SGD84,000 respectively in PE2023 as compared to SGD415,000 and SGD398,000 in PE2022. The loss for the period was mainly attributed to the combined effects of the increase in employee benefit and the increase in maintenance costs from the increase in the Group's rental fleet, offsetted with the decrease in professional fees.

CHARGE ON GROUP'S ASSETS

As at 31 March 2023, 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, a corporate guarantee from an indirect wholly-owned subsidiary of 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 31 March 2023, 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

Long Positions

Name of Director	Capacity/ Nature of interest	As at 31 March 2023	
		Number of Shares held	Approximate percentage of shareholding ⁽¹⁾
Mr. Ang Lay Keong (Hong Liqiang) ("Mr. Ang") ⁽²⁾	Interest in a 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 31 March 2023.
- (2) This represents the Shares held by Red Link International Limited ("**Red Link**"), a company that is beneficially owned by Ms. Lim Fang Fang, Queenie (Lin Fangfang, Queenie) ("**Ms. FF Lim**") as to 54.70% and Mr. Ang as to 45.30%. Therefore, Mr. Ang and Ms. FF Lim are deemed to be interested in all the Shares held by Red Link under the SFO.
- (3) Ms. LL Lim, one of the executive Directors, is the spouse of Mr. Ang, and is deemed to be interested in all the Shares held by Red Link in which Mr. Ang is deemed to be interested under the SFO.

Save as disclosed above, as at 31 March 2023, none of the Directors or chief executive of the Company nor their associates have interests or short positions in any Shares or underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO) or that are required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 March 2023, 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 of substantial shareholder	Capacity/ Nature of interest	As at 31 March 2023	
		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 31 March 2023.
- (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 31 March 2023, 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 PE2023, 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 PE2023.

SHARE OPTION SCHEME

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

No share option has been granted since the adoption of the Share Option Scheme and there is no share option outstanding as at 31 March 2023.

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 PE2023 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 PE2023 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 PE2023 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 PE2023 and up to the date of this report, has complied with the CG Code.

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 the three independent non-executive Directors, namely, Mr. Chu Kin Ming ("**Mr. Chu**"), Mr. Chang Li-Chung and Ms. Yi Jing. The chairman is Mr. Chu, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The first quarterly results of the Group for PE2023 have not been audited. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for PE2023 and is of the opinion that the preparation of such statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

DIVIDEND

The Board did not recommend the payment of any dividend in respect of PE2023 (PE2022: Nil).

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE GEM 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 31 March 2023 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

Hong Kong, 11 May 2023

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, Mr. Chang Li-Chung and Ms. Yi Jing.

* *For identification purpose only*