



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 **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)
(resigned on 13 October 2023)
Ms. Nie Li
Ms. Lin Xiaojuan
Mr. Zhang Wenyuan
(appointed on 13 October 2023)

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)
(resigned on 13 October 2023)
Mr. Zhang Wenyuan
(appointed on 13 October 2023)

COMPANY SECRETARY

Ms. Xu Jiayuan, *CPA*

AUTHORISED REPRESENTATIVES

Mr. Goh Duo Tzer (Wu Duoze)
(resigned on 13 October 2023)
Ms. Nie Li
(appointed as the authorised representative on 13 October 2023)
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
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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

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 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 and nine months ended 30 September 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
Revenue	3	31,391	19,882	85,576	61,814
Other income and gains	4	310	108	494	639
Change in trading inventories		(26,512)	(15,579)	(71,124)	(48,948)
Cost of materials used		(1,648)	(1,514)	(4,710)	(4,205)
Marketing and advertising expenses		(138)	(136)	(383)	(330)
Employee benefit expenses		(1,803)	(1,666)	(4,818)	(4,612)
Depreciation of property, plant and equipment		(445)	(268)	(1,284)	(756)
Depreciation of right-of-use assets		(404)	(653)	(1,468)	(1,946)
Amortisation of intangible assets		(23)	(23)	(68)	(71)
Impairment losses under expected credit loss model on trade receivables, net of reversal		18	207	(10)	191
Reversal of Impairment of other receivables		–	–	–	41
Finance costs	5	(87)	(116)	(276)	(353)
Short-term lease expenses		(22)	(13)	(72)	(44)
Other expenses		(793)	(783)	(2,468)	(2,500)
Share of results of an associate		40	–	91	79
Loss before income tax expense	6	(116)	(554)	(520)	(1,001)
Income tax expense	7	(35)	(1)	(120)	(111)
Loss for the period		(151)	(555)	(640)	(1,112)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
Other comprehensive expense, net of tax					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operations		(7)	(92)	6	(159)
Share of other comprehensive expense of an associate		-	(1)	(25)	(14)
Other comprehensive expense for the period, net of tax		(7)	(93)	(19)	(173)
Loss and total comprehensive expense for the period, net of tax		(158)	(648)	(659)	(1,285)
Loss attributable to:					
Owners of the Company		(104)	(486)	(472)	(874)
Non-controlling interests		(47)	(69)	(168)	(238)
		(151)	(555)	(640)	(1,112)
Total comprehensive expense attributable to:					
Owners of the Company		(112)	(542)	(486)	(983)
Non-controlling interests		(46)	(106)	(173)	(302)
		(158)	(648)	(659)	(1,285)
Losses per share					
- Basic and diluted (SGD cents)	9	(0.02)	(0.06)	(0.06)	(0.10)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2023

	Share capital	Share premium*	Merger reserve*	Other reserve*	Accumulated losses*	Foreign currency exchange reserve*	Total	Non-controlling interests	Total
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Balance as at 1 January 2023 (audited)	1,497	7,187	2,645	(103)	(2,207)	(1,006)	8,013	338	8,351
Loss for the period	-	-	-	-	(472)	-	(472)	(168)	(640)
Other comprehensive expense:									
Exchange differences on translating foreign operations	-	-	-	-	-	11	11	(5)	6
Share of other comprehensive expense of an associate	-	-	-	-	-	(25)	(25)	-	(25)
Total other comprehensive expense for the period	-	-	-	-	-	(14)	(14)	(5)	(19)
Balance as at 30 September 2023 (unaudited)	1,497	7,187	2,645	(103)	(2,679)	(1,020)	7,527	165	7,692
Balance as at 1 January 2022 (audited)	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 expense:									
Exchange differences on translating foreign operations	-	-	-	-	-	(95)	(95)	(64)	(159)
Share of other comprehensive expense of an associate	-	-	-	-	-	(14)	(14)	-	(14)
Total other comprehensive expense for the period	-	-	-	-	-	(109)	(109)	(64)	(173)
Balance as at 30 September 2022 (unaudited)	1,497	7,187	2,645	(103)	(1,593)	(720)	8,913	425	9,338

* As at 30 September 2023, the total of these reserves amounted to SGD6,030,000 (30 September 2022: SGD7,416,000).

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, Cayman Islands. The headquarters and the principal place of business in Singapore is located at 6 Kung Chong Road, Alexandra Industrial Estate, Singapore 159143. On 11 October 2019, the Company’s shares (the “**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 and 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 30 September 2023, the immediate holding company of the Company was Red Link International Limited, a limited liability company 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.

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 arrangement.

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	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15				
Service income	3,385	3,225	9,999	9,160
Warranty income	57	68	248	510
Automotive supply income	26,798	15,742	72,072	49,416
Education business service income	–	42	–	249
Sale of hardware and equipment	109	–	127	–
Revenue from other sources				
Car rental income	1,042	805	3,130	2,479
	31,391	19,882	85,576	61,814
Disaggregation by timing of revenue recognition				
Over time	3,442	3,293	10,247	9,670
Point in time	26,907	15,784	72,199	49,665
	30,349	19,077	82,446	59,335

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 service – 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 30 September		Nine months ended 30 September	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
Government grants (<i>Note</i>)	13	47	177	237
Gain on disposal of property, plant and equipment	258	23	260	136
Sponsorship	–	–	–	186
Others	39	38	57	80
	310	108	494	639

Note:

There were no unfulfilled conditions and other contingencies attaching to government grants for income recognised during the period ended 30 September 2023 and 2022.

5. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
Interest element of lease liabilities	44	65	131	185
Interest on bank borrowings	32	27	102	83
Interest on other term loans	11	24	43	85
	87	116	276	353

6. LOSS BEFORE INCOME TAX EXPENSE

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

	Three months ended 30 September		Nine months ended 30 September	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
Auditor's remuneration	39	34	114	103
Depreciation of property, plant and equipment	445	268	1,284	756
Depreciation of right-of-use assets	404	653	1,468	1,946
Employee benefit expenses (including director's emoluments)				
– Salaries, allowances and other benefits	1,655	1,539	4,443	4,244
– Contribution to defined contribution retirement plan	148	127	375	368
– Total	1,803	1,666	4,818	4,612
Amortisation of intangible assets	23	23	68	71
Impairment losses under expected credit loss model on trade receivables, net of reversal	(18)	(207)	10	(191)
Reversal of impairment of other receivables	–	–	–	(41)
Short-term lease expenses	22	13	72	44

7. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)
PRC				
Current tax				
– Current period	37	7	101	39
Singapore				
Current tax				
– Current period	3	(1)	36	89
PRC				
Deferred tax				
– Over provision in respect of prior periods	(5)	(5)	(17)	(17)
	35	1	120	111

Singapore profits tax is calculated at 17% on the estimated assessable profits arising in Singapore for the period ended 30 September 2023 (2022: 17%).

Taxes on profits assessable elsewhere have been calculated at the rates prevailing in the relevant jurisdictions for the 9 months ended 30 September 2023 and 2022.

8. DIVIDENDS

The Board did not recommend the payment of any dividend for the nine months ended 30 September 2023 (nine months ended 30 September 2022: Nil).

9. LOSSES PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Three months ended 30 September		Nine months ended 30 September	
	2023 SGD'000 (Unaudited)	2022 SGD'000 (Unaudited)	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	(104)	(486)	(472)	(874)
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)	(0.02)	(0.06)	(0.06)	(0.10)

Note:

For the nine months ended 30 September 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 earnings/(losses) per share as there was no potential dilutive ordinary share in existence during the nine months ended 30 September 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 two 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), mainly operates in central and southern China, with Hu Wu'an, the executive director of the Company, as its general manager. It mainly builds a supply chain focusing on imported vehicles, car spare parts and supporting services, and provides customers with a "onestop" high-quality services of parallel imported vehicles, as well as 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 SGD22.7 million for the nine months ended 30 September 2023 ("PE2023") to approximately SGD72.1 million as compared to approximately SGD49.4 million for the nine months ended 30 September 2022 ("PE2022"). The increase was mainly due to the increase in sales of automobile spare parts, accessories, equipment and automobiles to customers in Mainland China and Singapore for PE2023 as compared to PE2022 by approximately SGD21.7 million and SGD1.0 million respectively. The Group's after-market automotive services revenue increased by approximately SGD0.5 million due to the gradual recovery of the Singapore market in general, and the car rental business revenue has increased by approximately SGD0.6 million as compared to PE2022 due to expansion of the rental fleet of the Group and the market recovery as a result of further easing of COVID restriction measurements in PE2022.

The Group's education business services revenue decreased by approximately SGD122,000 to approximately SGD127,000 for PE2023 compared to approximately SGD249,000 for PE2022, due to lower sales of hardware and equipment for the education business.

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. The Group shall also seek any feasible business segment expansions, such as biological health, new retail, e-commerce, franchise management, insurance brokerage, prepared vegetables processing etc. which are suitable for the Group's market diversification efforts into the PRC.

In 2021, the Singapore government announced the Singapore Green Plan 2030 under which 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 regarded as one of 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

Revenue for the Group was SGD85.6 million for PE2023, as compared to SGD61.8 million for PE2022, an increase of approximately SGD23.8 million. The increase was mainly attributable to:

- (i) Increase in sales of passenger car spare parts, accessories and automobiles of approximately SGD22.7 million during PE2023 as compared to PE2022. This is mainly due to the increase in sales of supply automobile spare parts, accessories, equipment and automobiles to customers in Mainland China of approximately SGD21.7 million for PE2023 as compared to PE2022.

- (ii) Increase in after-market automotive services income of approximately SGD0.5 million in PE2023 due to a recovery of market as compared to PE2022 as Singapore has further eased COVID restriction measurements in PE2022.
- (iii) Increase in car rental income of approximately SGD0.6 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 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 SGD22.6 million from SGD53.2 million in PE2022 to SGD75.8 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 Singapore and the increase in cost of materials used in after market automotive supply.

Other income and gains

In PE2023, other income and gains decrease by approximately SGD0.1 million from SGD0.6 million in PE2022 to SGD0.5 million PE2023, which was mainly due to the decrease in sponsorship which was partially offset by increase in gain on disposal of property, plant and equipment.

Employee benefits expenses

In PE2023, the employee benefit expenses increased by approximately SGD0.2 million. This is due to the increase in overall headcount of the group and manpower cost in Singapore resulting from a tighter labour market.

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 SGD50,000 was due to an increase in depreciation of property, plant and equipment of approximately SGD528,000, which was partially offset by a decrease in depreciation of right-of-use assets of approximately SGD478,000 due to the transfer of right of use assets to property, plant and equipment upon the completion of financing obligations, and increase in depreciation of renovations from the move of the headquarters and workshop in Kung Chong to Sin Ming. The lower depreciation on the right-of-use assets from the new Sin Ming workshop also contributed to the decrease in depreciation of right-of-use assets.

Finance costs

The decrease in finance cost of approximately SGD77,000 from SGD353,000 in PE2022 to SGD276,000 in PE 2023 was mainly due to a revision of interest rate arising from other term loans in PE2023.

Income tax expense

The Group recorded a tax expense of approximately SGD120,000 in PE2023 compared to SGD111,000 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 expense of approximately SGD0.6 million and SGD0.7 million in PE2023 as compared to SGD1.1 million and SGD1.3 million in PE2022 respectively. The loss for the period was mainly attributed to the combined effects of the lower other income and gains and reversal of impairment, increase in employee benefit, increase in depreciation and maintenance costs, which was partially offset by the decrease in insurance expenses on the rental fleet from a change in insurer and decrease in professional fees.

Dividends

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2023 (nine months ended 30 September 2022: Nil).

CHARGE ON GROUP'S ASSETS

As at 30 September 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 30 September 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 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 2023	
		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	56,582,000	6.66%
Ms. Nie Li	Beneficial owner	18,275,400	2.15%

Notes:

- (1) The percentage has been compiled based on the total number of 850,000,000 Shares in issue as at the 30 September 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 30 September 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 30 September 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	Capacity/ Nature of Interest	As at 30 September 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. 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 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 30 September 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 the nine months ended 30 September 2023, 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 2023.

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 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 and its associated corporations" and "Share Option Scheme" above, at no time during the nine months ended 30 September 2023 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 2023 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 2023 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 2023 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 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 2023 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 2023 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.

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event which had material effect on the Group subsequent to 30 September 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

Singapore, 10 November 2023

As at the date of this report, the executive Directors are Mr. Ang Lay Keong (Hong Liqiang), Ms. Lim Li Ling (Lin Liling), Ms. Nie Li, Ms. Lin Xiaojuan, Mr. Hu Wu'an and Mr. Zhang Wenyuan; and the independent non-executive Directors are Mr. Chu Kin Ming, Mr. Chang Li-Chung and Ms. Yi Jing.

* *For identification purpose only*