



G.A. HOLDINGS LIMITED
G.A. 控股有限公司

(incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong under the trading name of German Automobiles International Limited)

(Stock Code: 8126)

RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED
(THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors (the “Directors”) of G.A. 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 (the “GEM Listing Rules”) of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2023 together with the comparative figures for the nine months ended 30 September 2022, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2023

	Notes	(Unaudited)		(Unaudited)	
		Three months ended 30 September	2022	Nine months ended 30 September	2022
		2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue	2	516,045	634,565	1,534,431	1,761,765
Other income	2	29,749	13,303	73,919	41,211
		545,794	647,868	1,608,350	1,802,976
Changes in inventories		(21,804)	5,489	(57,529)	1,088
Auto parts and accessories, and motor vehicles purchased		(436,495)	(576,276)	(1,313,102)	(1,541,263)
Employee benefit expenses		(31,431)	(33,134)	(97,329)	(100,950)
Depreciation and amortisation		(13,224)	(14,089)	(41,868)	(44,279)
Operating lease charges		(1,566)	(2,166)	(4,162)	(4,933)
Exchange differences, net		(788)	(2,335)	(2,247)	(4,742)
(Provision)/Reversal of Expected credit losses (“ECL”) allowance on trade and other receivables		(1,600)	–	(1,600)	3,188
Other expenses		(18,027)	(18,161)	(48,262)	(48,227)
Profit from operations		20,859	7,196	42,251	62,858
Finance costs		(9,092)	(7,746)	(28,858)	(25,250)
Profit/(Loss) before income tax		11,767	(550)	13,393	37,608
Income tax expense	3	(4,608)	(1,925)	(10,018)	(13,703)
Profit/(Loss) for the period		7,159	(2,475)	3,375	23,905

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	30 September		30 September	
<i>Notes</i>	2023	2022	2023	2022
	HK\$'000	<i>HK\$'000</i>	HK\$'000	<i>HK\$'000</i>
Other comprehensive income/				
(expense)				
Item that may be reclassified				
subsequently to profit or loss:				
Exchange difference arising from				
translation of financial statements				
of foreign operations	<u>4,991</u>	(42,544)	<u>(17,964)</u>	(75,712)
Total comprehensive income/				
(expenses) for the period	<u><u>12,150</u></u>	<u>(45,019)</u>	<u><u>(14,589)</u></u>	<u>(51,807)</u>
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Earnings/(Loss) per share				
Basic and diluted	<u><u>1.50</u></u>	(0.52)	<u><u>0.71</u></u>	<u>5.02</u>

4

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2023

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Fair value reserve – non-recycling HK\$'000	Retained profits HK\$'000	Total equity HK\$'000
For the nine months ended 30 September 2023 (unaudited)									
At 1 January 2023 (audited)	47,630	29,522	8,623	69,227	(10,735)	(30,311)	298	655,734	769,888
Profit for the period	-	-	-	-	-	-	-	3,375	3,375
Other comprehensive expense: Exchange loss on translation of financial statements of foreign operations	-	-	-	-	-	(17,964)	-	-	(17,964)
Total comprehensive (expenses)/income for the period	-	-	-	-	-	(17,964)	-	3,375	(14,589)
Transactions with owners: Appropriation to statutory reserve	-	-	-	3,119	-	-	-	(3,119)	-
Total transactions with owners	-	-	-	3,119	-	-	-	(3,119)	-
At 30 September 2023	<u>47,630</u>	<u>29,522</u>	<u>8,623</u>	<u>72,346</u>	<u>(10,735)</u>	<u>(48,275)</u>	<u>298</u>	<u>655,990</u>	<u>755,399</u>
For the nine months ended 30 September 2022 (unaudited)									
At 1 January 2022 (audited)	47,630	29,522	8,623	65,064	(10,735)	37,405	4,510	633,793	815,812
Profit for the period	-	-	-	-	-	-	-	23,905	23,905
Other comprehensive expense: Exchange loss on translation of financial statements of foreign operations	-	-	-	-	-	(75,712)	-	-	(75,712)
Total comprehensive (expense)/income for the period	-	-	-	-	-	(75,712)	-	23,905	(51,807)
Transactions with owners: Appropriation to statutory reserve	-	-	-	3,726	-	-	-	(3,726)	-
Total transactions with owners	-	-	-	3,726	-	-	-	(3,726)	-
At 30 September 2022	<u>47,630</u>	<u>29,522</u>	<u>8,623</u>	<u>68,790</u>	<u>(10,735)</u>	<u>(38,307)</u>	<u>4,510</u>	<u>653,972</u>	<u>764,005</u>

Notes:

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Group is principally engaged in the sales of motor vehicles and provision of car-related technical services, servicing of motor vehicles, sales of auto parts and provision of car rental services.

These unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the functional currency of the Company, unless otherwise stated.

(a) Statement of compliance

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the unaudited condensed consolidated financial statements include applicable disclosure required by the GEM Listing Rules.

In preparing the unaudited consolidated financial statements, management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies, the key sources of estimation uncertainty, and, except as described below, the accounting policies adopted for the preparation of these unaudited condensed consolidated statements of the Group are consistent with those applied in the preparation of the Group’s audited consolidated financial statements for the year ended 31 December 2022.

(b) Amended HKFRSs adopted as at 1 January 2023

In the current period, the Group has applied for the first time the amended HKFRSs issued by the HKICPA, which are relevant to the Group’s operations and effective for the Group’s financial information for the annual period beginning on 1 January 2023.

HKFRS 17	Insurance Contracts with related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of these amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

(c) Issued but not effective HKFRSs

As at 30 September 2023, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹

¹ Effective for annual periods beginning on or after 1 January 2024

² Effective date not yet determined

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs is provided below, which are not expected to have a material impact on the Group's results and financial position.

Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" ("2020 Amendments") and related amendments to Hong Kong Interpretation 5 and Amendments to HKAS 1 "Non-current Liabilities with Covenants" ("2022 Amendments")

The amendments provide further guidance to clarify how to classify debt and other liabilities as current or non-current which are summarised as follows:

- It clarifies that a liability is non-current if an entity have a right (instead of unconditional right as stated before the amendments) to defer settlement of the liability for at least twelve months from the end of the reporting period. This right has to be existed at the end of the reporting period, regardless of whether the lender tests for compliance at that date or at a later date;
- Any expectations about events after the reporting period do not impact the assessment made at the end of the reporting period as to the classification of the liability; and
- "Settlements" are newly defined as a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of cash, other economic resources (e.g. goods or services), or entity's own equity instruments. Thus, if the counterparty conversion option is classified as liability under HKAS 32 "Financial Instruments: Presentation" ("HKAS 32"), the transfer of equity instruments by exercising the conversion option constitute settlement of liability for the purpose of current or non-current classification of liabilities. One exception to the definition is that if the counterparty conversion option is classified as equity in accordance with HKAS 32, the transfer of equity instruments by exercising the conversion option does not constitute settlement of liability and would be disregarded when determining whether the liabilities is current or non-current.

2022 Amendments issued in 2022 clarified that only covenants of a liability arising from a loan arrangement, which an entity must comply with on or before the end of the reporting period (even if the covenant is only assessed after the end of the reporting period) affect the classification of that liability as current or non-current. Those covenants to be complied with after the end of the reporting period do not affect the classification of loan arrangements as current or non-current at the end of the reporting period.

Besides, the 2022 Amendments required an entity to provide additional disclosure when a liability arising from a loan arrangement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The information provided should enable users of financial statements to understand the risk that the liability could become repayable within twelve months of the end of the reporting period, including:

- The carrying amount of the related liabilities;
- Information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- Facts and circumstances, if any, indicate that an entity may have difficulty complying with the covenants. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants based on its circumstances at the end of the reporting period.

The 2022 Amendments also deferred the effective date of the 2020 Amendments to the annual reporting period beginning on or after 1 January 2024, in which both amendments are to be applied as a package and apply retrospectively. Earlier application is permitted. The Directors of the Group expect that the amendments have no material impact on the Group's results and financial position.

2. REVENUE AND OTHER INCOME

The Group recognised revenue by category as follows:

	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue				
Sales of motor vehicles	358,229	470,629	1,067,936	1,302,485
Servicing of motor vehicles and sales of auto parts	150,082	155,892	443,312	435,037
Technical fee income	2,246	2,777	6,608	7,423
Car rental income	5,488	5,267	16,575	16,820
	<u>516,045</u>	<u>634,565</u>	<u>1,534,431</u>	<u>1,761,765</u>
Other income				
Bank interest income	21	135	1,300	965
Commission income	565	641	1,252	1,647
Consultant service income	23,017	9,746	57,390	25,001
Financial guarantee income	1,243	575	3,807	1,792
Government grants	–	482	399	1,289
Net gain on disposal of property, plant and equipment and right of use assets	1,290	782	3,319	6,163
Sundry income	3,613	942	6,452	4,354
	<u>29,749</u>	<u>13,303</u>	<u>73,919</u>	<u>41,211</u>

3. INCOME TAX EXPENSE

The income tax expense is comprised of:

	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Current – Overseas				
Charge for the period	<u>4,797</u>	<u>2,122</u>	<u>10,596</u>	<u>14,316</u>
Current tax – total	<u>4,797</u>	<u>2,122</u>	<u>10,596</u>	<u>14,316</u>
Deferred tax	<u>(189)</u>	<u>(197)</u>	<u>(578)</u>	<u>(613)</u>
Total income tax expense	<u><u>4,608</u></u>	<u><u>1,925</u></u>	<u><u>10,018</u></u>	<u><u>13,703</u></u>

The provision for Hong Kong Profits Tax for the nine months ended 30 September 2023 and 2022 is calculated at 16.5% of the estimated assessable profits for the periods. For the nine months ended 30 September 2023 and 2022, a subsidiary of the Company is qualifying corporation under the two-tiered profits tax rate regimes. Under the two-tiered profits tax rate regimes, the first HK\$2 million or profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2 million are taxed at 16.5%.

Hong Kong Profits Tax has not been provided as the assessable profits for both periods are wholly absorbed by unrelieved tax losses brought forward from previous years.

Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rate of tax prevailing in the countries in which the Group operates.

The income tax provision in respect of operations in the PRC is calculated at the applicable rates on the estimated assessable profits for the period based on the unification of the income tax rates for domestic-invested and foreign invested enterprises at 25% (nine months ended 30 September 2022: 25%).

Dividend distribution out of the retained profits of foreign-invested enterprises in the PRC earned after 1 January 2008 is subject to withholding income tax at a tax rate of 10% (nine months ended 30 September 2022: 10%) unless reduced by treaty. Under the tax treaty between Singapore and the Mainland China, the withholding income tax rate applicable to the Group is 5% (nine months ended 30 September 2022: 5%).

Income tax in respect of operations in Singapore has not been provided for the nine months ended 30 September 2023 and 2022 as the Company's Singapore subsidiary has no assessable profits for the periods.

4. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share for the three months ended 30 September 2023 is based on the unaudited profit attributable to the owners of the Company for the three months ended 30 September 2023 of HK\$7,159,000 (three months ended 30 September 2022: unaudited loss of HK\$2,475,000) and on the weighted average number of 476,300,000 ordinary shares in issue during the three months ended 30 September 2023 (three months ended 30 September 2022: 476,300,000).

The calculation of basic earnings per share for the nine months ended 30 September 2023 is based on the unaudited profit attributable to the owners of the Company for the nine months ended 30 September 2023 of HK\$3,375,000 (nine months ended 30 September 2022: HK\$23,905,000) and on the weighted average number of 476,300,000 ordinary shares in issue during nine months ended 30 September 2023 (nine months ended 30 September 2022: 476,300,000).

Diluted earnings/(loss) per share for the three months and nine months ended 30 September 2023 and 2022 are the same as the basic earnings/(loss) per share as there was no dilutive potential ordinary share during the respective periods.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Due to the intensifying price competition among various automobiles brands in China, the Group recorded lower revenue, gross operating profit and margin and profit for the period for the nine months ended 30 September 2023.

FINANCIAL REVIEW

Revenue

The unaudited consolidated revenue for the nine months ended 30 September 2023 decreased by 12.9% from HK\$1,761,765,000 for the nine months ended 30 September 2022 to HK\$1,534,431,000 for the nine months ended 30 September 2023.

1. *Sales of motor vehicles*

For the nine months ended 30 September 2023, revenue generated from the sales of motor vehicles decreased by 18.0% from HK\$1,302,485,000 for the nine months ended 30 September 2022 to HK\$1,067,936,000 for the nine months ended 30 September 2023 mainly due to the intensifying price competition.

2. *Servicing of motor vehicles and sales of auto parts*

Revenue generated from servicing of motor vehicles and sales of auto parts increased by 1.9% from HK\$435,037,000 for the nine months ended 30 September 2022 to HK\$443,312,000 for the nine months ended 30 September 2023 as the consumer economy in the PRC showed signs of resurgence after lifting of the zero-COVID restriction.

3. *Technical fee income*

The Group received technical fee income from Xiamen Zhong Bao Automobiles Co., Ltd.* (“Xiamen Zhong Bao”) for providing management consulting and technical assistance in relation to the PRC locally assembled BMW motor vehicles sold by Xiamen Zhong Bao.

Technical fee income for the nine months ended 30 September 2023 was HK\$6,608,000, decreased by 11.0% as compared to HK\$7,423,000 for the corresponding period in 2022 since the number of PRC locally assembled BMW sold by Xiamen Zhong Bao decreased.

4. Car rental business

The income from car rental business in Hong Kong for the nine months ended 30 September 2023 was HK\$16,575,000, representing a decrease of 1.5% compared to the corresponding period in 2022. This was mainly due to decrease in long-term leasing customers amidst general business uncertainties since the beginning of the COVID-19 pandemic.

Gross Operating Profit and Gross Operating Margin

Gross operating profit is calculated based on our revenue for the period minus changes in inventories and auto parts and accessories, and motor vehicles purchased during the period. Gross operating margin is calculated based on the gross operating profit for the period divided by revenue for the period multiplied by 100%.

The gross operating profit for the nine months ended 30 September 2023 decreased by 26.1% to HK\$163,800,000, as compared to HK\$221,590,000 in the corresponding period in 2022. This decrease was mainly due to the decrease in revenue during the period as more discounts on car sales were offered to customers ahead of facelifting of several models and intensifying price competition in the automobiles markets in China.

The gross operating margin for the nine months ended 30 September 2023 was 10.7%, as compared to 12.6% for the nine months ended 30 September 2022. The decrease in gross operating margin during the period was mainly due to more discounts on car sales were offered to customers ahead of facelifting of several models and intensifying price competition in the automobiles markets in China.

Other Income

Other income increased from HK\$41,211,000 in the corresponding period in 2022 to HK\$73,919,000 for the nine months ended 30 September 2023 mainly due to the increase in consultancy service income during the period.

Employee Benefit Expenses

The Group recorded employee benefit expenses of HK\$97,329,000 for the nine months ended 30 September 2023, representing a 3.6% decrease as compared to HK\$100,950,000 in the corresponding period in 2022. The decrease was mainly due to lower staff commission which correlates to the decrease in revenue and gross operating profit during the period.

Depreciation and amortisation

Depreciation and amortization expenses decreased by 5.4% from HK\$44,279,000 for the nine months ended 30 September 2022 to HK\$41,868,000 for the nine months ended 30 September 2023.

Foreign Exchange Exposure

During the nine months ended 30 September 2023, the Group recorded exchange loss of HK\$2,247,000 (2022: HK\$4,742,000), which was mainly resulted from the translation of receivables or payables denominated in foreign currencies other than the functional currency of the Group.

Other Expenses

Other expenses remained stable at HK\$48,262,000 and HK\$48,227,000 for the nine months ended 30 September 2023 and 30 September 2022 respectively.

Finance Costs

Finance costs increased from HK\$25,250,000 for the nine months ended 30 September 2022 to HK\$28,858,000 for the nine months ended 30 September 2023 mainly due to increase in general interest rates.

Profit Attributable to Owners of the Company

The profit attributable to owners of the Company for the nine months ended 30 September 2023 was HK\$3,375,000, compared to HK\$23,905,000 for the nine months ended 30 September 2022. The decrease in profit attributable to owners of the Company was a result of intensifying price competition among various automobiles brands in China.

INTERIM DIVIDEND

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

PROSPECTS

While the consumer economy in China showed signs of resurgence after lifting of the zero-COVID restrictions, the intensifying price war in the automobiles market continues.

Nevertheless, BMW continues to maintain a leading position in the premier brand automobiles market in the PRC, surpassing other premier brands. In recent years, BMW has been actively involved in the electric vehicle market, achieving a relatively high market penetration rate among other traditional premium brands. Despite the overall challenging environment in the automobiles industry, we believe that the Group's operations would be stable in the near future.

DIRECTOR'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2023, the interests or short positions of Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which are notified to the Company and the Stock Exchange pursuant to SFO (including interests or short positions which they are taken or deemed to have under the provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to Rule 5.48 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares of the Company

Name	Capacity	Number of ordinary shares held	Approximate percentage of shareholding
Ma Hang Kon, Louis	Personal interest	500,000	0.10%
Zhang Xi	Personal interest	500,000	0.10%

Save as disclosed above, as at 30 September 2023, none of the Directors or chief executive of the Company or their respective associates, had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which are required 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 which they are taken or deemed to have under the provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2023, the persons or corporations (other than Directors or chief executive of the Company) who have interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or have otherwise notified to the Company were as follows:

Name	Capacity	Number of shares held	Approximate percentage of shareholding
Loh Nee Peng	Beneficial owner and interest of a controlled corporation (Note 1)	107,780,320	22.63%
Loh & Loh Construction Group Ltd.	Beneficial owner (Note 1)	45,284,000	9.51%
Big Reap Investment Limited	Beneficial owner (Note 1)	32,676,320	6.86%
Galligan Holdings Limited	Beneficial owner (Note 2)	39,700,000	8.34%
Butterfield Trust (Asia) Limited	Trustee (Note 2)	39,700,000	8.34%

Notes:

1. The 107,780,320 shares are held as to 32,676,320 shares by Big Reap Investment Limited, 45,284,000 shares by Loh & Loh Construction Group Ltd as well as 29,820,000 shares held directly by Mr. Loh Nee Peng. Big Reap Investment Limited is interested as to 100% by Mr. Loh Nee Peng and Loh & Loh Construction Group Ltd. is interested as to 64% by Mr. Loh Nee Peng. By virtue of Part XV of the SFO, Mr. Loh Nee Peng is deemed to be interested in the shares held by Big Reap Investment Limited and Loh & Loh Construction Group Ltd.
2. The 39,700,000 shares are held by Galligan Holdings Limited which is interested as to 100% indirectly held by Butterfield Trust (Asia) Limited. By virtue of Part XV of the SFO, Butterfield Trust (Asia) Limited is deemed to be interested in the shares held by Galligan Holdings Limited.

Save as disclosed above, as at 30 September 2023, the Directors were not aware of any other person or corporation having an interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or who was expected to be interested in 5% or more of the nominal value of any class of share capital or carrying rights to vote in all circumstances at general meetings of the Company.

DIRECTORS' AND CHIEF EXECUTIVES' RIGHT TO SUBSCRIBE FOR EQUITY OR DEBT SECURITIES

None of the Directors or chief executives of the Company or their spouse or children under the age of 18 was granted by the Company or any of its subsidiaries any right to subscribe for equity or debt securities of the Company or any body corporate.

COMPETING INTERESTS

During the nine months ended 30 September 2023, none of the Directors or the controlling shareholders of the Company nor any of their respective close associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") for the purpose of providing incentives to participants in the Share Option Scheme to contribute to the Group and enabling the Company to recruit high-calibre employees and attract human resources that are valuable to the Group.

During the nine months ended 30 September 2023, no option has been granted under the Share Option Scheme.

ADVANCES TO ENTITIES

As defined in Rule 17.14 of the GEM Listing Rules, "relevant advance to an entity" means the aggregate of amounts due from and all guarantees given on behalf of (i) an entity; (ii) the entity's controlling shareholder; (iii) the entity's subsidiaries; (iv) the entity's affiliated companies; and (v) any other entity with the same controlling shareholders.

Pursuant to the Rule 17.16 of the GEM Listing Rules, a disclosure obligation arises where the increment of relevant advance amount to an entity from the Group exceeds 3% under the assets ratio as defined under Rule 19.07 (1) of the GEM Listing Rules (the "Assets Ratio"). As at 30 September 2023, the Company's unaudited consolidated total assets were approximately HK\$1,690,502,000.

	(Unaudited) As at 30 September 2023 HK\$'000	Assets Ratio (%)	(Unaudited) As at 30 June 2023 HK\$'000	Increment as compared to Assets Ratio (%)
Guarantees to Zhong Bao Group (<i>note</i>)	<u>143,444</u>	<u>8.5%</u>	<u>142,786</u>	<u>N/A</u>

Note: Such amounts include the principal amount of the facilities granted by the banks to Xiamen Zhong Bao and its related companies ("Zhong Bao Group").

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 30 September 2023, the Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors.

CORPORATE GOVERNANCE

The Board also considers that the Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report as contained in Appendix 15 of the GEM Listing Rules throughout the period. Application of corporate governance policies are consistent with those adopted by the Group in the preparation of the annual consolidated financial statements for the year ended 31 December 2022.

AUDIT COMMITTEE

Pursuant to Rule 5.28 and 5.33 of the GEM Listing Rules and Code Provision C.3.3., the Company's Audit Committee was formed on 5 June 2002 and is currently composed of, namely, Mr. Zhou Ming, Ms. Guan Xin and Mr. Lin Ju Zheng. Mr. Zhou Ming is the Chairman of the Audit Committee.

The primary duties of the Audit Committee are mainly: (a) to review the Group's annual reports, consolidated financial statements, interim reports and quarterly reports; and (b) to review and supervise the financial reporting, risk management and internal control procedures of the Group; and (c) to liaise with the external auditor at least twice a year and provide advices and comments thereon to the Board. The Audit Committee has reviewed the 2023 third quarterly results and provided comments thereon to the Board.

These unaudited condensed consolidated financial statements for the nine months ended 30 September 2023 have been reviewed and commented by the Audit Committee of the Company and were approved by the Board on 9 November 2023.

PURCHASE, SALE 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.

DIRECTORS OF THE COMPANY

As at the date hereof, the executive Directors of the Company are Mr. Yuen Kin Pheng, Mr. Choy Choong Yew, Mr. Li Ze Qing, Mr. Ma Hang Kon, Louis and Mr. Zhang Xi; and the independent non-executive Directors are Ms. Guan Xin, Mr. Lin Ju Zheng and Mr. Zhou Ming.

By Order of the Board
G.A. Holdings Limited
Yuen Kin Pheng
Chairman

Hong Kong, 9 November 2023

This announcement will remain on the “Latest Listed Company Information” page on the GEM website at www.hkgem.com for at least 7 days from the date of its posting and the company’s website at www.ga-holdings.com.hk.

* *For identification purpose only*