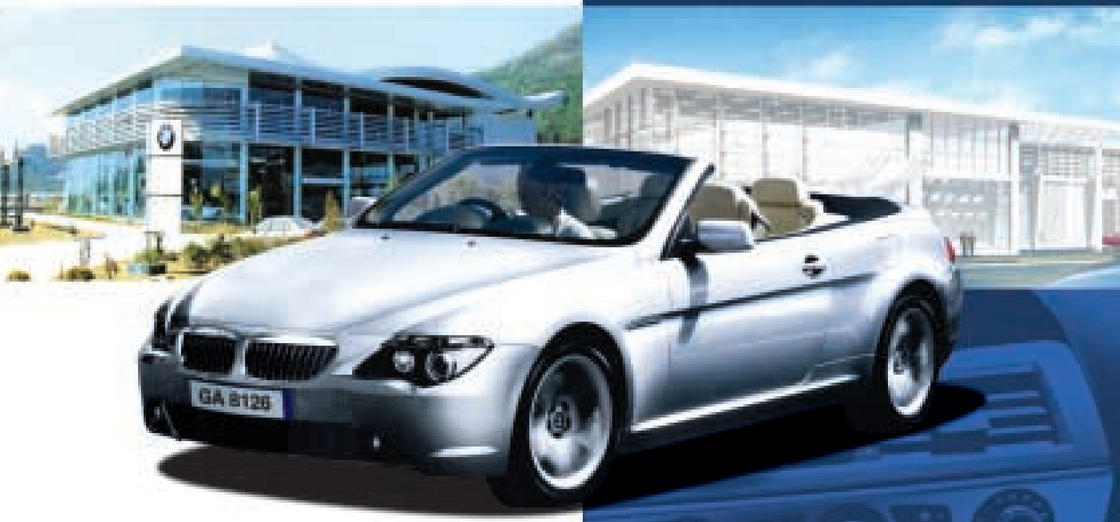
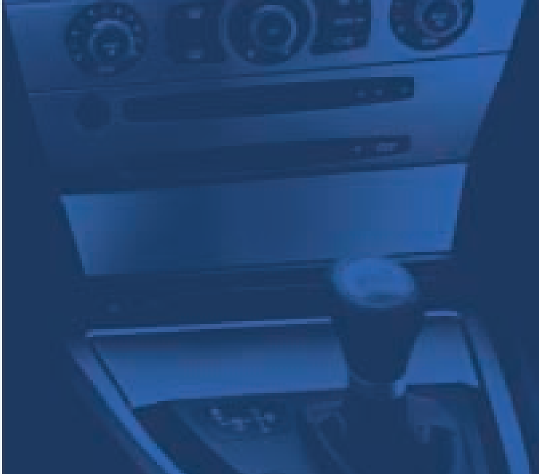
FIRST QUARTERLY REPORT 2006





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)

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM which neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks rising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which 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 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: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on basis and assumptions that are fair and reasonable.

The board (the "Board") of directors (the "Directors") of G.A. Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 31 March 2006.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2006

		(Unaudited) three months ended 31 March	
		2006	2005
	Notes	***S$'000***	*S$'000*
Turnover	*2*	**23,596**	18,557
Other income	*2*	**641**	382
		24,237	18,939
Cost of sales		**(19,482)**	(16,137)
Employee benefits expenses		**(590)**	(418)
Depreciation and amortisation		**(345)**	(323)
Operating leases charges		**(68)**	(65)
Exchange differences, net		**162**	390
Other operating expenses		**(910)**	(735)
Profit from operating activities		**3,004**	1,651
Finance costs, net		**(968)**	(474)
Profit before taxation		**2,036**	1,177
Income tax expenses	*3*	**(368)**	(209)
Profit for the period		**1,668**	968
Attributed to:			
Equity holders of the Company		**1,672**	973
Minority interests		**(4)**	(5)
Profit for the period		**1,668**	968
Earnings per share – Basic (cents)	*4*	**0.42**	0.24

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended 31 March 2005 and 2006

	Issued capital	Share premium	Capital reserve	Translation reserve	Retained profits	Minority interests	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
As at 1 January 2005	9,040	4,006	1,689	(1,136)	10,621	418	24,638
Net gains not recognised in income statement							
Translation difference	–	–	–	139	–	–	139
Profit/(loss) for the period	–	–	–	–	973	(5)	968
As at 31 March 2005	9,040	4,006	1,689	(997)	11,594	413	25,745
As at 1 January 2006	9,040	4,006	1,689	301	14,292	421	29,749
Net losses not recognised in income statement							
Translation difference	–	–	–	(1,039)	–	(14)	(1,053)
Profit/(loss) for the period	–	–	–	–	1,672	(4)	1,668
As at 31 March 2006	9,040	4,006	1,689	(738)	15,964	403	30,364

Notes:

1. Basis of Preparation

The Company and its subsidiaries (the "Group") are principally engaged in the sales of motor vehicles and provision of car-related technical services, servicing of motor vehicles and sales of auto parts, and provision of management services in respect of car rental business.

The unaudited condensed consolidated financial results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

The accounting policies adopted for the preparation of these unaudited consolidated results of the Group are consistent with those adopted by the Group in the preparation of annual audited financial statements for the year ended 31 December 2005.

2. Turnover

Turnover recognised by category is as follows:

	(Unaudited) three months ended 31 March	
	2006	2005
	S$'000	*S$'000*
Sales of motor vehicles	**19,584**	15,312
Servicing of motor vehicles and sales of auto parts	**2,849**	1,561
Technical fee income	**1,163**	1,406
Management fee income	**0**	278
	23,596	18,557

Other income

	(Unaudited) three months ended 31 March	
	2006	2005
	S$'000	*S$'000*
Rental income	**565**	350
Other income	**76**	32
	641	382

3. Income tax expenses

The charge comprises:

	(Unaudited) three months ended 31 March	
	2006	2005
	S$'000	*S$'000*
Hong Kong profits tax	**124**	95
Overseas taxation	**244**	114
	368	209

Hong Kong profit tax has been provided at the rate of 17.5% on the estimated assessable profit of the Hong Kong subsidiary for the three months ended 31 March 2006 and 2005.

Singapore income tax is calculated based on the estimated assessable profit of Singapore subsidiaries at the rate of 20% for the three months ended 31 March 2006 and 2005.

No PRC enterprise income tax has been provided for the PRC subsidiaries as they incurred losses for taxation purposes during the three months ended 31 March 2006 and 2005.

4. Earnings per share

The calculation of basic earnings per share for the three months ended 31 March 2006 was based on the unaudited consolidated profit attributable to shareholders of approximately S$1,672,000 (2005: S$973,000) and on the 400,000,000 (2005: 400,000,000) ordinary shares in issue during the period.

Diluted earnings per share was not presented as there were no dilutive potential ordinary shares in existence during the three months ended 31 March 2006 and 2005.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The booming automotive market under soaring demand for luxurious vehicles in the PRC channels smooth sales for the Company. For the three months ended 31 March 2006, steady growth in sales is recorded. Profit attributable to shareholders recorded an increase of 72.3%, while gross profit margin for the Group rose 17.4%, up 4.4% as compared to the corresponding period last year. The sustained effort of the Group in optimizing its cost control procedures has raised its competitive edges, finally heightens the profit margin. The sharp surge in imports of luxurious vehicles in the PRC for the first three months attributed to the lowering of tariffs by the country early this year, and as the high consumption taxes policy would due for big emission vehicles in the second quarter of the year, sales boosted under such impact and purchases were made ahead of the implementation of the policy. Besides, consumers' increasing demand for higher-end vehicles played a very important role in the growth of sales.

1. Sales of motor vehicles

For the three months ended 31 March 2006, the turnover generated from sales of motor vehicles was approximately S$19,584,000, representing a increase of approximately 27.9% as compared to the corresponding period in 2005 The increase was mainly due to the increment in sales of higher-priced motor vehicles. The sales of motor vehicles comprise 83% of the total turnover. As for comparison to the corresponding period in 2005, there recorded an increase of approximately 0.5% on the composition of turnover for the three months ended 31 March 2006.

2. Servicing of motor vehicles and sales of auto parts

For the three months ended 31 March 2006, the turnover generated from servicing of motor vehicles and sales of auto parts increased by approximately 82.5% to approximately S$2,849,000 as compared to the corresponding period in 2005. The increase of revenue echoes with the increment of our car sales previously as auto parts and servicing are essential complements to the hiking demand of luxurious vehicles.

3. Technical fee income

Technical fee income for the three months ended 31 March 2006 was approximately S$1,163,000, decreased by approximately 17.3% compared to the corresponding period in 2005 as a result of the expiration of the 5-year term non-exclusive management consulting and technical service agreement with NAGC.

4. Management fee income

The Group receives no management income for the three months ended 31 March 2006 as a result of the expiration of the 5-year term sub-licensees car rental agreement entered into between CNA Anhua (Tianjin), subsidiary of the Group, to CNA Anhua (Beijing), CNA Anhua (Shanghai), and CNA Anhua (Guangzhou) Car Rental Companies (collectively the "Three Sub-licensees"). The negotiation of sub-licensee agreement is in progress.

5. Car rental business

The operation of car rental business in Hong Kong has been expanded steadily. In addition to the establishing extra service location, the Group acquired more cars and employed more staff to provide services of higher quality to car rental customers. Increased fleet size and diversified marketing strategies sparks an extensive approach to reach out different targeted customer segments thereby increases sales. The Group will expand its base of operations by exploring new business activities in Macau.

FINANCIAL REVIEW

Turnover

The unaudited consolidated turnover for the three months ended 31 March 2006 increased to approximately S$23,596,000 from approximately S$18,557,000 for the corresponding period in 2005. This represented an increase of approximately 27.2%. The increase was mainly contributed by the increase in sales of motor vehicles. The sales of motor vehicles represented approximately 83% of the Group's turnover.

Gross profit

The gross profit for the three months ended 31 March 2006 was approximately S$4,114,000, an increase of approximately 70% as compared to the corresponding period in 2005. The increase in gross profit was due to increased sales for motor vehicles and increased revenue generated from the segment of servicing of motor vehicles. The gross profit margin was approximately 17.4% for the three months ended 31 March 2006, up 4.4% of the corresponding period in 2005. The increase in gross profit margin resulted from increase in servicing capacity and economies of scale.

Exchange gain

For the three months ended 31 March 2006, the exchange gain was approximately S$162,000, a decrease of approximately 58.5% as compared to the corresponding period in 2005. The exchange gain was mainly realized gain resulted from the translation of accounts receivables, accounts payables and inter-company balances from Euro and US dollars to Singapore dollars and the transactions of imports and exports bill denominated in Euro and US dollars.

Other operating expenses

For the three months ended 31 March 2006, other operating expenses were approximately S$910,000 representing an increase of approximately 23.8% as compared to the corresponding period in 2005. This was mainly due to the increase of legal and professional fees.

Profit attributable to shareholders

The profit attributable to shareholders for the three months ended 31 March 2006 was approximately S$1,668,000, representing an increase of approximately 72.3% compared to the corresponding period in 2005.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2006 (three months ended 31 March 2005: Nil).

PROSPECTS

As the upbeat atmosphere of the PRC's automotive market is seemingly overheated with its hasty pace, the government is moving to slow investments in the automotive industry to enhance steadiness and at the same time avoiding the threat of overcapacity by cooling off economic bubbles. Fiscal policies on revising consumption taxes for big emission vehicles are taken as footholds towards steady growth and prosperity of the automotive market in the PRC.

The Group believes that moderate soothing of the overheated economy does not necessarily scrap out revenue; instead, limiting approvals for new market entrance by the government would serve as a protective measure for enhancing competitiveness of companies within the industry, bailing out incompetent opponents. The Group will grasp such chance in solidifying its market position by actively expanding its basis of operations.

With enormous demand for higher-end imported vehicles in the PRC and the balancing fiscal force, the Company expects a steady growth in sales in the year ahead. Recent news shows optimism as BMW mulls new luxury cars especially for the China market thereby stimulating demand. The Company will sustain in our efforts to seek for different business opportunities, by diversification of product mix and exploration of new businesses in different regions of China aiming to maximizing shareholders' return.

DIRECTOR'S INTEREST AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2006, the interests or short position of Directors 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 the required standard of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares

		Number of ordinary shares held					
Name	**Capacity**	**Personal Interest**	**Family Interest**	**Corporate Interest**	**Other Interests**	**Total**	**Approximate percentage of shareholding**
Chan Hing Ka Anthony	Interest of a controlled corporation	–	–	106,432,000 *(Note 1)*	–	106,432,000	26.61%
Loh Nee Peng	Interest of a controlled corporation	–	–	106,432,000 *(Note 2)*	–	106,432,000	26.61%

Notes:

1. The 106,432,000 shares held as to 32,000,000 shares by Tycoons Investment International Limited and as to 74,432,000 shares by Loh & Loh Construction Group Ltd., which are interested as to 100% and 49%, respectively by Mr. Chan Hing Ka Anthony. By virtue of SFO, Mr. Chan Hing Ka Anthony is deemed to be interested in the shares held by Affluence Investment International Limited and Loh & Loh Construction Group Ltd.

2. The 106,432,000 shares held as to 32,000,000 shares by Big Reap Investment Limited and as to 74,432,000 shares by Loh & Loh Construction Group Ltd., which are interested as to 100% and 15%, respectively by Mr. Loh Nee Peng. By virtue of 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.

Save as disclosed above, as at 31 March 2006, none of the Directors or their associates, has any interests or short position 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 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 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITION OF SHAREHOLDERS

As at 31 March 2006, the persons or corporations (other than directors or chief executive of the Company) who have interests or short position in the shares ad 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 & Loh Construction Group Ltd.	Beneficial owner *(Note 1)*	74,432,000	18.61%
Comfort Group Limited	Interest of a controlled corporation *(Note 2)*	61,667,570	15.42%
Loh Kim Her	Interest of a controlled corporation *(Note 3)*	27,164,800	6.79%

Notes:

1. Loh & Loh Construction Group Ltd. is held as to 49% by Mr. Chan Hing Ka Anthony, as to 15% by Mr. Loh Kim Her, as to 15% by Mr. Loh Nee Peng and as to 21% by Mr. Loh Boon Cha. Mr. Chan Hing Ka Anthony, Mr. Loh Kim Her and Mr. Loh Nee Peng are Directors and Mr. Loh Boon Cha is the brother of Mr. Loh Kim Her and the father of Mr. Loh Nee Peng.

2. The 61,667,570 shares are held by Comfort (China) Pte Limited., the wholly owned subsidiary of Comfort Group Limited. By virtue of SFO, Comfort Group Limited is deemed to be interested in the shares held by Comfort (China) Pte Ltd.

3. The 27,164,800 shares held as to 16,000,000 shares by Affluence Investment International Limited, and as to 74,432,000 shares by Loh & Loh Construction Group Ltd., which are interested as to 100% and 15% respectively by Mr. Loh Kim Her. By virtue of SFO, Mr. Loh Kim Her is deemed to be interested in the shares held by Affluence Investment International Limited, and Loh & Loh Construction Group Ltd.

Save as disclosed above, as at 31 March 2006, the Directors are not aware of any other person or corporation having an interests or short positions in the shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company.

DIRECTORS' RIGHT TO SUBSCRIBE FOR EQUITY OR DEBT SECURITIES

None of the Directors or chief executives 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 three months ended 31 March 2006, none of the Directors or the management shareholders of the Company (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

During the three months ended 31 March 2006, the Company did not adopt any share option schemes, nor did it have any options or securities in issue which are convertible or exchangeable into shares of the Company.

ADVANCES TO ENTITIES

Pursuant to the Rules 17.15 and 17.17, a disclosure obligation arises where the relevant advance to an entity from the Group exceeds 8% under the assets ratio as defined under Rule 19.07(i) of the GEM Listing Rules (the "Assets Ratio"). As at 31 March 2006, the Company's total assets were approximately S$79,276,000.

	(Unaudited) As at 31 March 2006		**% of Assets Ratio**	(audited) As at 31 December 2005	
	S$'000	***HK$'000***		*S$'000*	*HK$'000*
NAGC Group:					
Prepaid rental advances	**7,132**	**34,124**	**9%**	7,170	32,890

	(Unaudited) As at 31 March 2006		**% of Assets Ratio**	(audited) As at 31 December 2005	
	S$'000	***HK$'000***		*S$'000*	*HK$'000*
Zhong Bao Group*:					
Guarantees to Zhong Bao Group	**24,035**	**115,000**	**30.3%**	24,035	110,252

* *Being Xiamen Zhong Bao and certain of its subsidiaries and related companies (the "Zhong Bao Group")*

PREPAID RENTAL ADVANCES DUE FROM NAGC

As at 31 March 2006, prepaid rental expenses amounted to approximately S$7,132,000 (equivalent to approximately HK$34,124,000) (as at 31 December 2005: S$7,170,000; equivalent to approximately HK$32,890,000) were made in accordance with the co-operation agreement in March 2000 and entered into between the Group and China National Automatic Anhua Hertz Services Centre Co. Ltd. ("CNA Anhua (Hertz)") a wholly owned subsidiary of NAGC for the construction of three showrooms/service centres and related facilities in the Guangdong Province, Xiamen and Beijing. CNA Anhua (Hertz) is not connected with the Company, the Directors, chief executive, substantial shareholder or management shareholders of the Company and its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules). As further disclosed in the circular under the section headed "Update on Progress of the Co-operation Projects with North Anhua Group Corporation and its Related Companies" issued by the Company dated 6 January 2004 (the "Circular"), according to the supplemental agreement entered between the Group and CNA Anhua (Hertz) dated 15 October 2002, the establishment of a showroom/service centre in Guangdong Province was not pursued. Therefore, the number of service centres was reduced to two. The Directors are of the view that the construction of showrooms/service centres and related facilities under these co-operation projects are important to the Group to achieve its business objectives as mentioned in the Prospectus and the prepaid rental expenses were made under normal commercial terms and in the ordinary course of business of the Group. The prepaid rental expenses entitled the Group to use such facilities for 50 years from the date of completion of the developments. The prepaid rental expense for the development project in Beijing was completed in December 2001. The development project in Haichang, Xiamen was completed in December 2003. The prepaid rental expenses were unsecured and interest free. The prepaid rental expenses for each of the said development project are amortized on a straight line basis over 50 years from the date of completion. The amount of prepaid rental expenses represents 9% of the unaudited total assets of the Group as at 31 March 2006.

GUARANTEES TO ZHONG BAO GROUP

Guarantees in the amount of approximately S$24,035,000 (equivalent to approximately HK$111,500,000) (as at 31 December 2005: S$24,035,000; equivalent to approximately HK$110,252,000) were provided to a bank in respect of banking facilities granted to Zhong Bao Group. The guarantees were for the bank facilities granted for the use in car trade business of Zhong Bao Group. The amount of guarantees to Zhong Bao Group represents 30.3% of the unaudited total assets of the Group as at 31 March 2006.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the three months ended 31 March 2006, the Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.46 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 Company has complied with the standards and requirements concerning board practices and procedures of the Board as set out in Rules 5.34 of the GEM Listing Rules. The Board also considers that the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rule 5.30 of the GEM Listing Rules on 5 June 2002. The audit committee comprises three independent non-executive Directors, namely Mr. Yin Bin, Mr. Zhang Lei and Mr. Lee Kwok Yung. The duties of the audit committee includes reviewing the Company's annual reports and accounts, half-year reports and quarterly reports and providing advices and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the Company's financial reporting and internal control procedures.

These unaudited condensed consolidated financial results have been reviewed by the audit committee of the Company and were approved by the board of directors on 15 May 2006.

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 three months ended 31 March 2006.

DIRECTORS OF THE COMPANY

Executive directors of the Company as at the date hereof are Mr. Chan Hing Ka Anthony, Mr. Loh Nee Peng and Mr. Xu Ming. Independent non-executive directors of the Company as at the date hereof are Mr. Yin Bin, Mr. Lee Kwok Yung and Mr. Zhang Lei.

By Order of the Board
G.A. Holdings Limited
Chan Hing Ka Anthony
Chairman and Managing Director

Hong Kong, 15 May 2006