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

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the 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. 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.

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 of the 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 announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on basis and assumptions that are fair and reasonable.

FINANCIAL RESULTS

The board of directors (the “Board”) of the Company is pleased to announce the audited results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2009 together with the comparative figures for the year ended 31 December 2008, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Notes	**2009** **S$'000**	2008 S$'000
Revenue	*4*	**36,724**	34,821
Other income	*6*	**9,499**	5,590
Cost of sales		**(30,699)**	(30,064)
Employee benefit expenses		**(3,001)**	(2,588)
Depreciation and amortisation		**(1,721)**	(1,519)
Operating lease charges		**(1,207)**	(346)
Exchange differences, net		**(996)**	1,483
Other operating expenses		**(3,930)**	(2,738)
Profit from operating activities		**4,669**	4,639
Finance costs		**(1,710)**	(2,676)
Profit before income tax		**2,959**	1,963
Income tax expense	*7*	**(1,036)**	(543)
Profit for the year		**1,923**	1,420
Other comprehensive income, including reclassification adjustments			
Exchange (loss)/gain on translation of financial statements of foreign operations		**(291)**	1,872
Other comprehensive income, including reclassification adjustments		**(291)**	1,872
Total comprehensive income for the year		**1,632**	3,292

	Notes	**2009**	2008
		S$'000	*S$'000*
Profit for the year attributable to:			
Owners of the Company		**1,927**	1,424
Minority interests		**(4)**	(4)
		1,923	1,420
Total comprehensive income attributable to:			
Owners of the Company		**1,662**	3,252
Minority interests		**(30)**	40
		1,632	3,292
Earnings per share attributable to the owners of the Company for the year (Singapore cent)	*8*		
Basic		**0.45**	0.35
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Notes	2009 S$'000	2008 S$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**9,752**	8,003
Leasehold lands		**829**	876
Prepaid rental expenses		**6,455**	6,612
Non-current receivables		**4**	4
		17,040	15,495
Current assets			
Inventories		**5,088**	2,071
Trade receivables	*9*	**14,066**	12,576
Prepayments, deposits and other current assets		**27,269**	36,113
Due from a director		**4**	11
Pledged deposits		**3,140**	5,804
Cash and cash equivalents		**10,060**	7,917
		59,627	64,492
Current liabilities			
Trade payables	*10*	**1,888**	1,453
Accruals and other payables		**10,085**	11,843
Pension and other employee obligations		**28**	27
Bills payables		**9,931**	11,732
Borrowings		**5,427**	9,232
Due to related companies		**50**	50
Due to directors		**3,095**	2,517
Tax payable		**5,736**	5,919
		36,240	42,773
Net current assets		**23,387**	21,719
Total assets less current liabilities		**40,427**	37,214
Non-current liabilities			
Borrowings		**2,110**	511
Deferred tax liabilities		**230**	248
		2,340	759
Net assets		**38,087**	36,455
EQUITY			
Equity attributable to Company's equity holders			
Share capital		**9,637**	9,637
Reserves		**28,094**	26,432
		37,731	36,069
Minority interests		**356**	386
Total equity		**38,087**	36,455

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Equity attributable to equity holders of the Company							
	Issued capital	Share premium*	Capital reserve*	Translation reserve*	Retained profits*	Total	Minority interests	Total Equity
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
At 1 January 2008	9,040	4,006	1,689	(3,612)	19,924	31,047	346	31,393
Proceeds from shares issued	597	1,195	–	–	–	1,792	–	1,792
Share issue expenses	–	(22)	–	–	–	(22)	–	(22)
Transactions with owners	597	1,173	–	–	–	1,770	–	1,770
Profit for the year	–	–	–	–	1,424	1,424	(4)	1,420
Other comprehensive income, including reclassification adjustments								
Translation difference	–	–	–	1,828	–	1,828	44	1,872
Total comprehensive income for the year	–	–	–	1,828	1,424	3,252	40	3,292
At 31 December 2008 and 1 January 2009	9,637	5,179	1,689	(1,784)	21,348	36,069	386	36,455
Profit for the year	–	–	–	–	1,927	1,927	(4)	1,923
Other comprehensive income, including reclassification adjustments								
Translation difference	–	–	–	(265)	–	(265)	(26)	(291)
Total comprehensive income for the year	–	–	–	(265)	1,927	1,662	(30)	1,632
At 31 December 2009	**9,637**	**5,179**	**1,689**	**(2,049)**	**23,275**	**37,731**	**356**	**38,087**

* *These reserves accounts comprise the consolidation reserves of S$28,094,000 (2008: S$26,432,000) in the consolidated statement of financial position as at 31 December 2009.*

Notes:

1. GENERAL INFORMATION

G. A. Holdings Limited (the "Company") was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company with limited liability on 5 July 2001. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Unit 1203, 12th Floor, Eton Tower, No. 8 Hysan Avenue, Causeway Bay, Hong Kong. The Company's shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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.

The results announcement for the year ended 31 December 2009 was approved by the board of directors on 29 March 2010.

2. ADOPTION OF NEW OR AMENDED HKFRS

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2009:

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or an associate
HKFRS 7 (Amendments)	Improving disclosure about financial instruments
HKFRS 8	Operating segments
Various	Annual improvements to HKFRSs 2008

Other than as noted below, the adoption of the new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

HKAS 1 (Revised 2007) Presentation of financial statements

The adoption of HKAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income, for example exchange difference on translation of financial statements of foreign operations. HKAS 1 affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. Comparatives have been restated to conform with the revised standard. The Group has applied changes to its accounting polices on presentation of financial statements and segment reporting retrospectively. However, the changes to the comparatives have not affected the consolidated or parent company statement of financial position at 1 January 2008 and accordingly this statement is not presented.

HSAS 23 (Revised 2007) Borrowing costs

The adoption of HKAS 23 (Revised 2007) eliminates the option of recognising all borrowing costs immediately as an expenses. Consequently, it results a change of the Group's accounting policy to capitalize borrowing costs which are directly attributable to acquisition, construction or production of a qualifying assets as part of the cost of the assets. The amendments to HKAS 23 have had no material impact on the Group's financial statements.

HKFRS 8 Operating segments

The adoption of HKFRS 8 has not affected the identified and reportable operating segments for the Group. However, reported segment information is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns. Comparatives have been restated on a basis consistent with the new standard.

At the date of authorisation of these financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and amended HKFRSs have been issued but are not expected to have a material impact of the Group's financial statements.

HKFRS 3 Business combinations (Revised 2008)

The standard is applicable in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard still requires the use of the purchase method (now renamed the acquisition method) but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interest) in the acquiree. The new standard is expected to have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009.

HKFRS 9 Financial instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The directors are currently assessing the possible impact of the new standard on the Group's results and financial position in the first year of application.

HKAS 27 Consolidated and separate financial statements (Revised 2008)

The revised standard is effective for accounting periods beginning on or after 1 July 2009 and introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Total comprehensive income must be attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The directors do not expect the standard to have a material effect on the Group's financial statements.

Annual improvements 2009

The HKICPA has issued *Improvements to Hong Kong Financial Reporting Standards 2009*. Most of the amendments become effective for annual periods beginning on or after 1 January 2010. The Group expects the amendment to HKAS 17 Leases to be relevant to the Group's accounting policies. Prior to the amendment, HKAS 17 generally required a lease of land to be classified as an operating lease. The amendment requires a lease of land to be classified as an operating or finance lease in accordance with the general principles in HKAS 17. The Group will need to reassess the classification of its unexpired leases of land at 1 January 2010 on the basis of information existing at the inception of those leases in accordance with the transitional provisions for the amendment. The amendment will apply retrospectively except where the necessary information is not available. In that situation, the leases will be assessed on the date when the amendment is adopted. The directors are currently assessing the possible impact of the amendment on the Group's results and financial position in the first year of application.

3. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM Listing Rules").

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 2.

The financial statements have been prepared on the historical cost basis.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

4. REVENUE

The Group is principally engaged in (i) sales of motor vehicles, (ii) provision of car-related technical services and (iii) servicing of motor vehicles and sale of auto parts. Revenue generated from these principal activities, which is also the Group's turnover, recognised during the year is as follows:

	2009	2008
	S$'000	*S$'000*
Sales of motor vehicles	**14,491**	18,389
Technical fee income	**3,832**	2,552
Servicing of motor vehicles and sales of auto parts	**18,401**	13,880
	36,724	34,821

5. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

- Motor vehicles – Sales of motor vehicles and provision of car-related technical services ("Activity 1")

- Technical service – Servicing of motor vehicles and sales of auto parts ("Activity 2")

- Commission income from sales of cars from German Automobiles Pte Ltd. ("GAPL") to German Automobiles Limited ("GAL") (i.e. intra-group) ("Activity 3")

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arms length prices.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	2009			
	Activity 1	**Activity 2**	**Activity 3**	**Total**
	S$'000	***S$'000***	***S$'000***	***S$'000***
Revenue				
From external customers	**18,323**	**18,401**	**–**	**36,724**
From other segments	**–**	**–**	**533**	**533**
Reportable segment revenue	**18,323**	**18,401**	**533**	**37,257**
Reportable segment profit	**2,362**	**3,653**	**533**	**6,548**
Bank interest income	**40**	**12**	**–**	**52**
Depreciation and amortisation of non-financial assets	**(194)**	**(572)**	**–**	**(766)**
Write down of inventories to net realisable value	**(493)**	**–**	**–**	**(493)**
Gain on disposal of property, plant and equipment	**–**	**–**	**67**	**67**
Reportable segment assets	**23,410**	**35,812**	**–**	**59,222**
Addition to non-current segment assets during the year	**–**	**2,758**	**–**	**2,758**
Reportable segment liabilities	**11,437**	**7,997**	**1,936**	**21,370**

	2008			
	Activity 1	Activity 2	Activity 3	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*
Revenue				
From external customers	20,941	13,880	–	34,821
From other segments	–	–	737	737
Reportable segment revenue	20,941	13,880	737	35,558
Reportable segment profit	2,834	1,778	244	4,856
Bank interest income	135	85	–	220
Depreciation and amortisation of non-financial assets	(193)	(437)	–	(630)
Write down of inventories to net realisable value	(172)	–	–	(172)
Gain on disposal of property, plant and equipment	–	–	90	90
Reportable segment assets	23,587	38,974	–	62,561
Reportable segment liabilities	14,290	11,425	1,592	27,307

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2009	2008
	S$'000	*S$'000*
Reportable segment revenues	**37,257**	35,558
Elimination of inter segment revenues	**(533)**	(737)
Group revenues	**36,724**	34,821

	2009	2008
	S$'000	*S$'000*
Reportable segment profit	**6,548**	4,856
Other income	**7,472**	3,443
Rental income	**1,975**	1,906
Unallocated corporate expenses	**(10,793)**	(5,322)
Finance costs	**(1,710)**	(2,676)
Elimination of inter segment profits	**(533)**	(244)
Profit before income tax	**2,959**	1,963

	2009	2008
	S$'000	*S$'000*
Reportable segment assets	**59,222**	62,561
Non-current corporate assets	**2,535**	2,395
Current corporate assets	**14,910**	15,031
Group assets	**76,667**	79,987

	2009	2008
	S$'000	*S$'000*
Reportable segment liabilities	**21,370**	27,307
Non-current corporate liabilities	**729**	511
Current corporate liabilities	**16,481**	15,714
Group liabilities	**38,580**	43,532

The Group's revenues from external customers and its non-current assets are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2009	2008	**2009**	2008
	S$'000	*S$'000*	***S$'000***	*S$'000*
Singapore (domicile)	**–**	–	**87**	107
The PRC	**36,724**	34,821	**14,418**	12,992
Unallocated assets	**–**	–	**2,535**	2,396
	36,724	34,821	**17,040**	15,495

The place of domicile is determined based on the location of central management.

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the asset.

During 2009, S$9,746,000 or 27% of the Group's revenue depended on a single customer in sales of motor car and provision of technical service segment (2008: S$5,478,000 or 15.7%)

At the reporting date 41% of the Group's trade receivables were due from this customer (2008: 53%).

6. OTHER INCOME

	2009	2008
	S$'000	*S$'000*
Rental income – sublease	**1,975**	1,906
Interest income on financial assets stated at amortised cost	**52**	241
Other income	**7,472**	3,443
	9,499	5,590

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits. Taxation on overseas profits has been calculated on the estimated assessable profit for the year 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 year based on the unification of the income tax rates for domestic-invested and foreign-invested enterprises at 25%.

	2009	2008
	S$'000	*S$'000*
Current – Hong Kong		
Charge for the year	**282**	225
Current – Overseas		
Charge for the year	**772**	299
Under-provision in prior years	**–**	33
Deferred tax	**(18)**	(14)
Total income tax expense	**1,036**	543

Reconciliation between tax expense and accounting profit at applicable tax rates:

	2009	2008
	S$'000	*S$'000*
Profit before income tax	**2,959**	1,963
Tax on profits before income tax expenses, calculated at the rates applicable to profits in the tax jurisdiction concerned	**830**	404
Non-deductible expenses	**406**	271
Tax exempt revenue	**(200)**	(165)
Under-provision in prior years	**–**	33
Income tax expenses	**1,036**	543

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on profit attributable to the equity holders of the Company for the year of approximately S$1,927,000 (2008: S$1,424,000) and on the weighted average number of 433,000,000 (2008: 408,926,230) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 31 December 2009 and 2008 was not presented as there was no dilutive potential ordinary share for the year ended 31 December 2009 and 2008.

9. TRADE RECEIVABLES – GROUP

At 31 December 2009, the ageing analysis of trade receivables was as follows:

	2009	2008
	S$'000	*S$'000*
0 – 90 days	**4,250**	4,585
91 – 180 days	**4,208**	4,152
181 – 365 days	**3,496**	1,217
Over 1 year	**2,698**	3,213
	14,652	13,167
Less: allowance for impairment of receivables	**(586)**	(591)
	14,066	12,576

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amounts are remote, in which case the impairment losses are written off against trade receivables directly. The movement in the allowance for impairment of trade receivables is as follows:

	2009	2008
	S$'000	*S$'000*
At 1 January	**591**	582
Exchanges differences	**(5)**	9
At 31 December	**586**	591

At each reporting date, the Group's trade receivables were individually determined to assess if they are impaired. The individually impaired receivables are recognised based on the credit history of the customers.

The majority of the Group's sales are on letter of credit. The Group allows a credit period from 3 months to 9 months to its trade customers. The ageing analysis of trade receivables that are past due but not impaired is as follows:

		2009	2008
	Notes	***S$'000***	*S$'000*
Neither past due nor impaired	*(a)*	**10,376**	9,137
1 – 90 days past due	*(a)*	**2,018**	917
91 – 180 days past due	*(a)*	**168**	574
Over 180 days past due	*(b)*	**1,504**	1,948
		3,690	3,439
		14,066	12,576

(a) The directors of the Group are of the opinion that no further impairment of trade receivables is necessary as there was no recent history of default in respect of these trade receivables.

(b) The directors are of the opinion that the amount over 180 days past due was not impaired due to full settlement after the reporting date.

As at 31 December 2009, trade receivables of S$10,376,000 (2008: S$9,137,000) were neither past due nor impaired. These related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of diversified customers that had a good track record of credit with Group. Based on past credit history, management believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables pat due but not impaired.

The directors of the Company consider that the fair value of trade and other receivables which are expected to be recovered within one year are not materially different from their carrying amount because these balances have short maturity periods on their inception.

10. TRADE PAYABLES – GROUP

The ageing analysis of trade payables is as follows:

	2009	2008
	S$'000	*S$'000*
0 – 30 days	**928**	842
31 – 180 days	**293**	117
181 – 365 days	**25**	119
1 – 2 years	**256**	2
Over 2 years	**386**	373
	1,888	1,453

The trade payables are generally with credit terms of 3 months.

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2009 (2008: Nil).

BUSINESS REVIEW

While the downturn of economy had sustained throughout 2008 and early 2009, the passenger car market in China, especially autos with prestigious brands, recovered obviously during second half of the year 2009.

The Group has maintained its market share and strategic position by staying at the deluxe automotive sector in mainland China. This strategy allowed us not only survived from the turmoil but picked up the advantage of economy growth in China quickly. The profit of the Group for 2009 increased from S$1,420,000 to S$1,923,000.

The gross profit margin saw an increase from 13.7% in 2008 to 16.4% in 2009. The servicing and sales of auto parts sector recorded a growth of 32.6%. Once again, this is resulted from our continuous effort in strengthening the relationship with our long established customers with high quality after sales services.

SALES OF MOTOR VEHICLES

The turnover of this segment represented approximately 39.5% of the total Group turnover of the year. As for comparison to the corresponding period last year, there recorded a decrease of approximately 13.3% on the composition of turnover. This decrease was mainly due to the reduction in sales of motor vehicles during the first half of year.

SERVICING OF MOTOR VEHICLES AND SALES OF AUTO PARTS

Turnover generated from the servicing of motor vehicles and sales of auto parts for the year 2009 increased by 32.6%. Servicing income increased to approximately S$18,401,000, contributing 50.1% of the Group's turnover, representing an increment of 10.2%.

TECHNICAL FEE INCOME

The Group received technical income from Xiamen Zhong Bao Automobiles Co., Ltd. ("Xiamen Zhong Bao") and certain of its subsidiaries, collectively (the "Zhong Bao Group") for providing management consulting and technical assistance for its purchase for the locally assembled BMW motor vehicles sold. The locally assembled BMW motor vehicles were introduced since 2003.

Technical fee income for the year ended 31 December 2009 was approximately S$3,832,000, taking up approximately 10.4% in terms of the Group's turnover composition, as compared to the 7.3% in 2008. The increase was due to the corresponding increase in car sales by Zhong Bao Group during the year.

CAR RENTAL BUSINESS

The car rental business of the Hong Kong and the Kowloon stations of the Hertz division recorded a steady income in 2009. While the standstill of economy in Macau continues, the operation has not yet commenced as at year end.

FINANCIAL REVIEW

Financial resources and liquidity

As at 31 December 2009, shareholders' fund of the Group amounted to approximately S$38,087,000 (2008: S$36,455,000). Current assets amounted to approximately S$59,627,000 (2008: S$64,492,000). Of which approximately S$13,200,000 (2008: S$13,721,000) were cash and bank deposits. Current liabilities amounted to approximately S$36,240,000 (2008: S$42,773,000) mainly represents trade payables, bills payables, bank loans, accruals and other payables and current account with affiliated companies. The Group had non-current liabilities amounted to approximately S$2,340,000 (2008: S$759,000). The net asset value per share as at 31 December 2009 was S$0.088 (2008: S$0.084).

Capital Structure of the Group

During the year ended 31 December 2009, the Group had no debt securities in issue (2008: Nil).

The Group obtained funding mainly from trade finance. Bank borrowings are denominated in either HKD or SGD.

Significant Investment

As at 31 December 2009, the Group had no significant investment held (2008: Nil).

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the year ended 31 December 2009, the Group had no material acquisitions and disposals of subsidiaries and affiliated companies (2008: Nil).

Employees

As at 31 December 2009, the total number of employee of the Group was approximately 150. For the year ended 31 December 2009, the staff costs including directors' remuneration of the Group amounted to approximately S$3,001,000 (2008: S$2,588,000), around 8.2% of the turnover of the Group and an increase of approximately 0.8% as compared to that of the year ended 31 December 2008. It is the Group policy to review its employer's pay levels and performance bonus system regularly to ensure the remuneration policy is competitive within the industry.

Charges on Group Assets

As at 31 December 2009, the Group pledged time deposits of approximately S$3,140,000 (2008: S$5,804,000) to several banks for banking facilities for the Group and a related company of North Anhua Group Corporation ("NAGC"). Leasehold lands and buildings of approximately S$829,000 (2008: S$613,000) and S$141,000 (2008: S$144,000) respectively are pledged to bank to secure banking facilities up to approximately S$22,660,000 (2008: S$15,470,000) granted to Zhong Bao Group at the balance sheet date.

Material Investments or Capital Assets

As at 31 December 2009, the Group had no future plans for material investment.

Gearing Ratio

The Group expresses its gearing ratio as a percentage of bills payable, bank borrowings and long-term debts over total assets. As at 31 December 2009, the Group had a gearing ratio of 0.23 (2008: 0.27).

Foreign Exchange Exposure

During the year ended 31 December 2009, the Group had an exchange loss of approximately S$996,000 (2008: S$1,483,000 gain), mainly due to the fluctuation of other euro currencies against RMB as the Group's main operation was conducted in RMB.

Contingent Liabilities

As at 31 December 2009, the Group provided a bank guarantee of approximately S$3,931,000 (2008: S$4,222,000) to a bank in respect of banking facilities to a related company of NAGC. As at 31 December 2009, the Group provided bank guarantee amounted to S$23,896,000 in respect of banking facilities to Zhong Bao Group (2008: S$26,741,000).

BUSINESS PROSPECT

After suffering from the impact of global financial crisis for more than one year, the China's automotive market has picked up a comparative stronger recovery of economy in China in the second half of the year 2009.

The good performance in the first quarter of 2010 provides a favourable opening for the auto output and domestic sales of the whole year. Though the sales volume of automobiles in early 2010 is enchanting, there are still lots of indefinite factors, and the development of auto industry also needs further observation. Statistics from China Association of Automobile Manufacturers (CAAM) indicates that the rapid growth momentum in December 2009. China's overall macro economic situation is positive, the demand on auto purchase is great; in addition, driven by the state's various favourable policies in 2009, consumers' demand on autos has been activated. Although the preferential degree on the tax of purchasing auto is not as strong as the one of last year, the government has still implemented a series of promotion policies on auto industry and these policies have driven up the auto consumption. This demand is to be realized in early 2010.

Aggregated demand of luxury European car is continues to increase. The high end functions, comfort, as well as safety features of the European brands had exclusively established their prestige. Thus the Group will be continuously benefited from its unmatched customer service and market position.

CORPORATE GOVERNANCE

Pursuant to rule 18.44 (2) and Appendix 16 of the GEM Listing Rules, the Company wish to state that it has complied with all code provisions set out in the Code on Corporate Governance Practices contained in the Appendix 15 of the GEM Listing Rules (the "Code") during the year.

(1) Corporate Governance Practices

The Group is committed to promoting good corporate governance, with the objectives of (i) the maintenance of responsible decision making, (ii) the improvement in transparency and disclosure of information to shareholders, (iii) the continuance of respect for the rights of shareholders and the recognition of the legitimate interests of the shareholders, and (iv) the improvement in management of risk and the enhancement of performance by the Group. The Group has applied in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM Listing Rules") with these objectives in mind.

Under the code provision A.4.2, every director should be subject to retirement by rotation at least once every three years. The existing articles of association of the Company provide that no Directors holding office as chairman and/or managing director shall be subject to retirement by rotation. Accordingly, as at the date of this announcement, Mr. Loh Boon Cha and Mr. Loh Nee Peng, being the Chairman and Managing Director of the Company respectively, are not subject to retirement by rotation. In order to comply with the code provision A.4.2, Mr. Xu Ming and Mr. Lee Kwok Yung will retire at the forthcoming annual general meeting of the Company, and being eligible, will offer themselves for re-election.

(2) Directors' Securities Transactions

The Company has adopted a code of conduct regarding directors' securities transactions 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. Having made specific enquiry of the directors of the Company, all directors have complied with the required standard of dealings and code of conduct regarding securities transactions by directors.

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company's audit committee was formed on 5th June 2002 and is currently composed of namely, Mr. Lee Kwok Yung, Mr. Zhang Lei and Mr. Yin Bin (the "Audit Committee"). The primary duties of the Audit Committee are (a) to review the Group's annual reports, financial statements, interim reports and quarterly reports, (b) to provide advice and comments thereon to the Board and (c) to review and supervise the financial reporting process and the internal control procedures of the Group.

The Audit Committee has carefully reviewed the Company's quarterly, half-yearly and annual results and its system of internal control and has made suggestions to improve them. The Committee also carried out and discharged its duties set out in Code. In the course of doing so, the Committee has met the company's management, qualified accountant and external auditors during 2009. The Directors have reviewed and are satisfied with the effectiveness of the Group's internal control system, including financial, operational and compliance controls and risk management functions.

DIRECTORS OF THE COMPANY

Executive Directors of the Company as at the date hereof are Mr. Loh Boon Cha, 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.

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 year ended 31 December 2009.

On behalf of the Board
Loh Nee Peng
Managing Director

Hong Kong, 29 March 2010

This announcement will remain on the "Latest Company Announcements" page on the GEM website at www.hkgem.com, the HKEx website at www.hkexnews.hk and the company's website at www.ga-holdings.com.hk for at least 7 days from the date of its posting.