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 2010

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.

The Hong Kong Exchanges and Clearing Limited and the Stock Exchange takes no responsibility for the contents of this announcement, 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 announcement.

This announcement, 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 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 2010 together with the comparative figures for the year ended 31 December 2009, as follows:

Consolidated statement of comprehensive income for the year ended 31 December 2010

	Notes	**2010** *S$'000*	2009 *S$'000*
Revenue	*4*	**42,129**	36,724
Other income	*6*	**9,807**	9,499
Cost of sales		**(33,835)**	(30,699)
Employee benefit expenses		**(3,446)**	(3,001)
Depreciation and amortisation		**(1,839)**	(1,721)
Operating lease charges		**(1,341)**	(1,207)
Exchange differences, net		**(633)**	(996)
Other operating expenses		**(3,779)**	(3,930)
Profit from operating activities		**7,063**	4,669
Finance costs		**(1,542)**	(1,710)
Profit before income tax		**5,521**	2,959
Income tax expense	*7*	**(1,890)**	(1,036)
Profit for the year		**3,631**	1,923
Other comprehensive income, including reclassification adjustments			
Exchange loss on translation of financial statements of foreign operations		**(821)**	(291)
Other comprehensive income, including reclassification adjustments		**(821)**	(291)
Total comprehensive income for the year		**2,810**	1,632
Profit for the year attributable to:			
Owners of the Company		**3,639**	1,927
Non-controlling interests		**(8)**	(4)
		3,631	1,923
Total comprehensive income attributable to:			
Owners of the Company		**2,837**	1,662
Non-controlling interests		**(27)**	(30)
		2,810	1,632
Earnings per share attributable to the owners of the Company for the year (Singapore cent)	*8*		
Basic		**0.81**	0.45
Diluted		**N/A**	N/A

Consolidated statement of financial position
as at 31 December 2010

	Notes	2010 S$'000	2009 S$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**10,992**	9,752
Leasehold lands		**801**	829
Prepaid rental expenses		**6,300**	6,455
Non-current receivables		**3**	4
		18,096	17,040
Current assets			
Inventories		**5,297**	5,088
Trade receivables	*9*	**15,864**	14,066
Prepayments, deposits and other current assets		**31,633**	27,269
Due from a director		**4**	4
Pledged deposits		**3,878**	3,140
Cash and cash equivalents		**12,915**	10,060
		69,591	59,627
Current liabilities			
Trade payables	*10*	**2,327**	1,888
Accruals and other payables		**11,003**	10,085
Pension and other employee obligations		**20**	28
Bills payables		**9,494**	9,931
Borrowings		**11,139**	5,427
Due to related companies		**50**	50
Due to directors		**4,004**	3,095
Tax payable		**5,040**	5,736
		43,077	36,240
Net current assets		**26,514**	23,387
Total assets less current liabilities		**44,610**	40,427
Non-current liabilities			
Borrowings		**1,767**	2,110
Deferred tax liabilities		**209**	230
		1,976	2,340
Net assets		**42,634**	38,087
EQUITY			
Equity attributable to Company's equity holders			
Share capital		**10,417**	9,637
Reserves		**31,888**	28,094
		42,305	37,731
Non-controlling interests		**329**	356
Total equity		**42,634**	38,087

Consolidated statement of changes in equity for the year ended 31 December 2010

	Equity attributable to equity holders of the Company							
	Issued capital	Share premium*	Capital reserve*	Translation reserve*	Retained profits*	Total	Non-controlling interests	Total Equity
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
At 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 and 1 January 2010	9,637	5,179	1,689	(2,049)	23,275	37,731	356	38,087
Proceeds from shares issued	780	974	–	–	–	1,754	–	1,754
Share issue expenses	–	(17)	–	–	–	(17)	–	(17)
Transactions with owners	780	957	–	–	–	1,737	–	1,737
Profit for the year	–	–	–	–	3,639	3,639	(8)	3,631
Other comprehensive income, including reclassification adjustments								
Translation difference	–	–	–	(802)	–	(802)	(19)	(821)
Total comprehensive income for the year	–	–	–	(802)	3,639	2,837	(27)	2,810
At 31 December 2010	**10,417**	**6,136**	**1,689**	**(2,851)**	**26,914**	**42,305**	**329**	**42,634**

* *These reserves accounts comprise the consolidation reserves of S$31,888,000 (2009: S$28,094,000) in the consolidated statement of financial position as at 31 December 2010.*

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 2010 was approved by the board of directors on 29 March 2011.

2. CHANGE OF ACCOUNTING POLICIES AND ADOPTION OF NEW OR AMENDED HKFRSs

During the year, the Group has adopted all the new and amended HKFRSs which are first effective for the reporting year and relevant to the Group. Except as explained below, the adoption of these new and amended HKFRSs did not result in material changes to the Group's accounting policies.

HKFRS 3 (Revised) – Business Combinations and HKAS 27 (Revised) – Consolidated and Separate Financial Statements

The revised accounting policies are effective prospectively for business combinations effected in financial periods beginning on or after 1 July 2009. Changes in HKFRS 3 include the valuation of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill and the results in the period that an acquisition occurs and future results. The adoption of revised HKFRS 3 has had no impact to the financial statements as there has been no business combination transaction during the year.

The revised HKAS 27 requires that a change in the ownership interest of a subsidiary, without loss of control is accounted for as a transaction with owners in their capacity as owners, accordingly, such transactions are recognised within equity. The adoption of revised HKAS 27 has had no material impact on the Group's financial statements.

HKAS 17 (Amendments) – Lease

As part of Improvements to HKFRSs issued in 2009, HKAS 17 has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the statement of financial position. The amendment to HKAS 17 has removed such a requirement and requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee. The Group concluded that the classification of such leases in the PRC as operating leases continues to be appropriate, and the change in accounting policy on land leases has no impact on the financial statements.

Hong Kong Interpretation 5 ("HK (Int) 5") – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

In November 2010 the HKICPA issued HK (Int) 5 which is effective immediately and is a clarification of an existing standard, HKAS 1 Presentation of Financial Statements. This interpretation sets out that any term loan, which contains a clause giving the lender the unconditional right to demand repayment at any time, shall be classified as current liability in accordance with paragraph 69(d) of HKAS 1 irrespective of the probability that the lender will invoke the clause without cause.

In order to comply with the requirements of HK (Int) 5, the Group has changed its accounting policy on the classification of term loans containing a repayment on demand clause. Under the new policy, term loans with clauses giving the lender the unconditional right to call the loan at any time are classified as current liabilities in the consolidated statement of financial position. Previously these loans were classified in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement at the reporting date or otherwise had reason to believe that the lender would not invoke its rights under the immediate repayment clause within the foreseeable future.

The issuance of HK (Int) 5 has had no material impact on the Group's financial statements as the Interpretation's conclusions were consistent with policies already adopted by the Group.

At the date of this report, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

The directors of the Company 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. The directors of the Company are currently assessing the impact of the new and amended HKFRSs upon initial application. So far, the directors of the Company have preliminarily concluded that the initial application of these HKFRSs will not result in material financial impact on the consolidated financial statements. Information on new and amended HKFRSs that are expected to have an impact on the Group's accounting policies is provided below.

HKFRS 9 Financial instruments

(i) Financial assets

This standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. It 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.

(ii) Financial liabilities

Most of the requirements in HKAS 39 for the classification and measurement of financial liabilities, and de-recognition of financial assets and financial liabilities have been carried forward unchanged to HKFRS 9. However changes have been made where an entity chooses to measure its own debts at fair value. HKFRS 9 now requires the amount of the change in fair value due to changes in the entity's own credit risk to be presented in other comprehensive income. The only exception to this new requirement is where the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch in profit or loss, in which case all gains or losses on that liability are to be presented in profit or loss. Under HKAS 39 there is no requirement to identify change in fair value due to change in the entity's own credit risk.

The other key change is the elimination of the exception from fair value measurement of derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument. HKFRS 9 requires them to be measured at fair value. HKAS 39 allows those derivatives the fair value of which cannot be reliably measured to be stated at cost.

(iii) Derecognition of financial assets and financial liabilities

The requirements relating to de-recognition of financial assets and financial liabilities have been brought forward from HKAS 39.

HKFRS 9 published to date is first mandatory for annual accounting periods beginning on or after 1 January 2013. Entities are required to apply the standard retrospectively in accordance with HKAS 8, changes in accounting estimates and errors together with the specific transition provisions in the standard on the Group's results and financial position in the first year of application.

The directors of the Company are currently assessing the possible impact of the new standard 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:

	2010	2009
	S$'000	*S$'000*
Sales of motor vehicles	**15,233**	14,491
Technical fee income	**4,844**	3,832
Servicing of motor vehicles and sales of auto parts	**22,052**	18,401
	42,129	36,724

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.

	2010			
	Activity 1	**Activity 2**	**Activity 3**	**Total**
	S$'000	***S$'000***	***S$'000***	***S$'000***
Revenue				
From external customers	**20,077**	**22,052**	**–**	**42,129**
From other segments	**–**	**–**	**477**	**477**
Reportable segment revenue	**20,077**	**22,052**	**477**	**42,606**
Reportable segment profit	**2,825**	**4,270**	**477**	**7,572**
Bank interest income	**16**	**19**	**–**	**35**
Depreciation and amortisation of non–financial assets	**(193)**	**(1,646)**	**–**	**(1,839)**
Write down of inventories to net realisable value	**(80)**	**–**	**–**	**(80)**
Gain on disposal of property, plant and equipment	**–**	**–**	**170**	**170**
Reportable segment assets	**26,592**	**38,086**	**–**	**64,678**
Addition to non-current segment assets during the year	**–**	**1,056**	**–**	**1,056**
Reportable segment liabilities	**11,653**	**13,420**	**1,805**	**26,878**

	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

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:

	2010	2009
	S$'000	*S$'000*
Reportable segment revenues	**42,606**	37,257
Elimination of inter segment revenues	**(477)**	(533)
Group revenues	**42,129**	36,724

	2010	2009
	S$'000	*S$'000*
Reportable segment profit	**7,572**	6,548
Other income	**7,593**	7,472
Rental income	**2,179**	1,975
Unallocated corporate expenses	**(9,804)**	(10,793)
Finance costs	**(1,542)**	(1,710)
Elimination of inter segment profits	**(477)**	(533)
Profit before income tax	**5,521**	2,959

	2010	2009
	S$'000	*S$'000*
Reportable segment assets	**64,678**	59,222
Non-current corporate assets	**2,846**	2,535
Current corporate assets	**20,163**	14,910
Group assets	**87,687**	76,667

	2010	2009
	S$'000	*S$'000*
Reportable segment liabilities	**26,878**	21,370
Non-current corporate liabilities	**803**	729
Current corporate liabilities	**17,372**	16,481
Group liabilities	**45,053**	38,580

The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

	Revenue from external customer		**Non-current assets**	
	2010	2009	**2010**	2009
	S$'000	*S$'000*	***S$'000***	*S$'000*
Singapore (domicile)	**–**	–	**206**	87
The PRC	**42,129**	36,724	**15,041**	14,414
Unallocated assets	**–**	–	**2,846**	2,535
	42,129	36,724	**18,093**	17,036

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 2010, S$4,218,000 or 10% of the Group's revenue depended on a single customer in sales of motor car and provision of technical service segment (2009: S$9,746,000 or 27%).

At the reporting date 18% of the Group's trade receivables were due from this customer (2009: 41%).

6. OTHER INCOME

	2010	2009
	S$'000	*S$'000*
Rental income – sublease	**2,179**	1,975
Interest income on financial assets stated at amortised cost	**35**	52
Other income	**7,593**	7,472
	9,807	9,499

7 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 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%.

	2010	2009
	S$'000	*S$'000*
Current – Hong Kong		
Charge for the year	**407**	282
Current – Overseas		
Charge for the year	**1,504**	772
Deferred tax	**(21)**	(18)
Total income tax expense	**1,890**	1,036

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

	2010	2009
	S$'000	*S$'000*
Profit before income tax	**5,521**	2,959
Tax on profits before income tax expenses, calculated at the rates applicable to profits in the tax jurisdiction concerned	**1,242**	830
Non-deductible expenses	**926**	406
Tax exempt revenue	**(278)**	(200)
Income tax expenses	**1,890**	1,036

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$3,639,000 (2009: S$1,927,000) and on the weighted average number of 451,000,000 (2009: 433,000,000) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 31 December 2010 and 2009 was not presented as there was no dilutive potential ordinary share for the year ended 31 December 2010 and 2009.

9. TRADE RECEIVABLES – GROUP

At 31 December 2010, the ageing analysis of trade receivables was as follows:

	2010	2009
	S$'000	*S$'000*
0 – 90 days	**5,174**	4,250
91 – 180 days	**3,368**	4,208
181 – 365 days	**4,455**	3,496
Over 1 year	**3,449**	2,698
	16,446	14,652
Less: allowance for impairment of receivables	**(582)**	(586)
	15,864	14,066

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:

	2010	2009
	S$'000	*S$'000*
At 1 January	**586**	591
Exchanges differences	**(4)**	(5)
At 31 December	**582**	586

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:

		2010	2009
	Notes	*S$'000*	*S$'000*
Neither past due nor impaired	*(a)*	**13,007**	10,376
1 – 90 days past due	*(a)*	**792**	2,018
91 – 180 days past due	*(a)*	**408**	168
Over 180 days past due	*(b)*	**1,657**	1,504
		2,857	3,690
		15,864	14,066

(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 2010, trade receivables of S$13,007,000 (2009: S$10,376,000) 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 certain number of diversified customers that had a good track record of credit with the Group. Based on past credit history, management believe that no impairment allowance is necessary in respect of these balance 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 past due but not impaired.

The directors of the Group 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 amounts because these balances have short maturity periods on their inception.

10. TRADE PAYABLES – GROUP

The ageing analysis of trade payables is as follows:

	2010	2009
	S$'000	*S$'000*
0 – 30 days	**677**	928
31 – 180 days	**289**	293
181 – 365 days	**257**	25
1 – 2 years	**123**	256
Over 2 years	**981**	386
	2,327	1,888

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 2010 (2009: Nil).

BUSINESS REVIEW

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 2010 increased from S$1,923,000 to S$3,631,000.

The gross profit margin saw an increase from 16.4% in 2009 to 19.7% in 2010. The servicing and sales of auto parts sector recorded a growth of 19.8%. 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 36.2% of the total Group turnover of the year. As for comparison to the corresponding period last year, there recorded a slight decrease of approximately 3.3% on the composition of turnover. This decrease was mainly due to the changes in fiscal policy for the tax incentive in purchasing imported vehicles which directly affected the passenger car market.

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 2010 increased by 19.8%. Servicing income increased to approximately S$22,052,000, contributing 52.3% of the Group’s turnover, representing an increment of 2.2%.

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 2010 was approximately S$4,844,000, taking up approximately 11.5% in terms of the Group’s turnover composition, as compared to the 10.4% in 2009. 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 2010. While the standstill of economy in Macau continuous, the operation has not yet commenced as at year end.

FINANCIAL REVIEW

Financial resources and liquidity

As at 31 December 2010, shareholders' fund of the Group amounted to approximately S$42,634,000 (2009: S$38,087,000). Current assets amounted to approximately S$69,591,000 (2009: S$59,627,000). Of which approximately S$16,793,000 (2009: S$13,200,000) were cash and bank deposits. Current liabilities amounted to approximately S$43,077,000 (2009: S$36,240,000) 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$1,976,000 (2009: S$2,340,000). The net asset value per share as at 31 December 2010 was S$0.095 (2009: S$0.088).

Capital Structure of the Group

Placing of 43.3 Million New Shares

On 24 May 2010, the Company and the five independent subscribers ("Subscribers") entered into the subscription agreements in relation to the subscription of an aggregate of 43,300,000 subscription shares by the Subscribers at the subscription price of HK$0.225 per subscription share.

The subscription shares represent about 10.0% of the issued share capital of the Company before enlarged by the subscription shares and about 9.09% of the Company's issued share capital as enlarged by the subscription shares.

The gross proceeds of the subscription amounted to approximately HK$9.74 million. After deducting relevant expenses, the net proceeds of about HK$244,000 from the subscription, the net proceeds from the subscription amounted to approximately HK$9.50 million. The net proceeds from the subscription was applied as general working capital of the Group and may also be used to finance feasible acquisition(s) as identified by the Board in future.

Completion of the subscription of the 43,300,000 subscription shares has taken place on 10 June 2010.

During the year ended 31 December 2010, the Group had no debt securities in issue (2009: Nil).

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

Significant Investment

As at 31 December 2010, the Group had no significant investment held (2009: Nil).

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the year ended 31 December 2010, the Group had no material acquisitions and disposals of subsidiaries and affiliated companies (2009: Nil).

Employees

As at 31 December 2010, the total number of employee of the Group was approximately 150. For the year ended 31 December 2010, the staff costs including directors' remuneration of the Group amounted to approximately S$3,446,000 (2009:S$3,001,000), maintained at 8.2% of the turnover of the Group and an increase of approximately 0.008% as compared to that of the year ended 31 December 2009. 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 2010, the Group pledged time deposits of approximately S$3,878,000 (2009: S$3,140,000) 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$801,000 (2009: S$829,000) and S$138,000 (2009: S$141,000) respectively are pledged to bank to secure banking facilities up to approximately S$28,860,000 (2009: S$22,660,000) granted to Zhong Bao Group at the balance sheet date.

Material Investments or Capital Assets

As at 31 December 2010, 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 2010, the Group had a gearing ratio of 0.26 (2009: 0.23).

Foreign Exchange Exposure

During the year ended 31 December 2010, the Group had an exchange loss of approximately S$633,000 (2009: S$996,000 loss), mainly due to the fluctuation of other currencies against RMB, as the Group's main operation was conducted in RMB.

Contingent Liabilities

As at 31 December 2010, the Group provided a bank guarantee of approximately S$3,601,000 (2009: S$3,934,000) to a bank in respect of banking facilities to a related company of NAGC. As at 31 December 2010, the Group provided bank guarantee amounted to S$33,540,000 in respect of banking facilities to Zhong Bao Group (2009: S$23,896,000).

BUSINESS PROSPECT

At mentioned in our interim report for the year of 2010, the Group continues to strive for greater breakthrough in its business with its long term business partners, cooperating stably with a win-win situation, expanding its product portfolio to fulfill our customers' desires and needs at appropriate time.

Throughout the year 2010 the commodities markets in China continues going while the US and Europe dropped due to the financial crisis. In particular, the market of deluxe private car in China keeps surging in the second half of 2010. Though, the China chief of BMW expected in August that its China sales to surge by 30 percent in 2010, this target have already been exceeded in the first half year. Though measures to restrict the number of new automobiles in China have been implemented in early 2011, the demand of deluxe automotive China has not slowed down under the eagerness of spending by the customers. Such huge demand of luxury cars also contributes to the related after sales services and supplementary auto parts. The Group is cautiously optimistic about the continuous growth of our market in the coming years.

Besides devoting our effort in the sales of automobiles in China, the Group will also explore further the car rental business with its customers so as to enhance the profitability and cashflow of the local business operations.

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, Mr. Yin Bin and Mr. Lin Ju Zheng 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. Yin Bin, Mr. Lin Ju Zheng and Miss Song Qi Hong. 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.

In 2010, the Audit Committee held four meetings. The attendance record of each member of the Committee is set out as below:

	Attendance
Lee Kwok Yung *(Chairman)*	4/4
Zhang Lei (resigned on 21 June 2010)	2/2
Yin Bin	4/4
Lin Ju Zheng (appointed on 1 June 2010)	0/2
Song Qi Hong (appointed on 1 August 2010)	2/2

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 2010.

A statement of director responsibilities for preparing the financial statements is set out in this Annual Report. The Auditor's Report states auditors' reporting responsibilities.

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,Mr. Lin Ju Zheng and Miss Song Qi Hong.

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 2010.

On behalf of the Board
Loh Nee Peng
Managing Director

Hong Kong, 29 March 2011

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.