



**G.A. HOLDINGS LIMITED**  
**G.A. 控股有限公司**

*(Incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong  
under the trading name of German Automobiles International Limited)*  
**(Stock Code: 8126)**

**RESULTS ANNOUNCEMENT**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE “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 high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investor should be aware of the potential risk 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.**

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

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 2012.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2012

		(Unaudited) three months ended 31 March 2012 HK\$'000	2011 HK\$'000 (Restated)
	Notes		
<b>Revenue</b>	2	<b>60,522</b>	67,416
Other income	2	<b>15,805</b>	16,444
		<b>76,327</b>	83,860
Changes in inventories		<b>(42,453)</b>	(54,445)
Employee benefit expenses		<b>(5,985)</b>	(6,116)
Depreciation and amortisation		<b>(3,751)</b>	(2,872)
Operating lease charges		<b>(1,709)</b>	(1,613)
Exchange differences, net		<b>(2,930)</b>	(1,712)
Other expenses		<b>(5,689)</b>	(6,700)
<b>Profit from operating activities</b>		<b>13,810</b>	10,402
Finance costs		<b>(2,944)</b>	(2,874)
<b>Profit before income tax</b>		<b>10,866</b>	7,528
Income tax expense	3	<b>(2,650)</b>	(2,028)
<b>Profit for the period</b>		<b>8,216</b>	5,500
<b>Other comprehensive income, including reclassification adjustments for the period</b>			
Exchange gain on translation of financial statements of foreign operations		<b>4,531</b>	4,430
Other comprehensive income, including reclassification adjustments		<b>4,531</b>	4,430
<b>Total comprehensive income for the period</b>		<b>12,747</b>	9,930
<b>Profit for the period attributed to:</b>			
Owners of the Company		<b>8,235</b>	5,516
Non-controlling interests		<b>(19)</b>	(16)
		<b>8,216</b>	5,500
<b>Total comprehensive income attributed to:</b>			
Owners of the Company		<b>12,770</b>	9,930
Non-controlling interests		<b>(23)</b>	—
		<b>12,747</b>	9,930
Earnings per share attributable to the owners of the Company for the period			
Basic (HK\$ cents)	4	<b>1.73</b>	1.16
Diluted (HK\$ cents)		<b>N/A</b>	N/A

# CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended 31 March 2012 and 2011

	Equity attributable to owners of the Company								
	Issued capital <i>HK\$'000</i> (Restated)	Share premium <i>HK\$'000</i> (Restated)	Capital reserve <i>HK\$'000</i> (Restated)	Translation reserve <i>HK\$'000</i> (Restated)	Retained profits <i>HK\$'000</i> (Restated)	Proposed Final Dividend <i>HK\$'000</i>	Total <i>HK\$'000</i> (Restated)	Non- controlling interests <i>HK\$'000</i> (Restated)	Total equity <i>HK\$'000</i> (Restated)
As at 1 January 2011	47,630	29,522	8,623	20,247	149,991	–	256,013	1,989	258,002
Profit for the period	–	–	–	–	5,516	–	5,516	(16)	5,500
Other comprehensive income, including reclassification adjustments									
Translation difference	–	–	–	4,414	–	–	4,414	16	4,430
Total comprehensive income for the period	–	–	–	4,414	5,516	–	9,930	–	9,930
As at 31 March 2011	<u>47,630</u>	<u>29,522</u>	<u>8,623</u>	<u>24,661</u>	<u>155,507</u>	<u>–</u>	<u>265,943</u>	<u>1,989</u>	<u>267,932</u>
As at 1 January 2012	47,630	29,522	8,623	28,331	176,445	3,000	293,551	2,035	295,586
Profit for the period	–	–	–	–	8,235	–	8,235	(19)	8,216
Other comprehensive income, including reclassification adjustments									
Translation difference	–	–	–	4,535	–	–	4,535	(4)	4,531
Total comprehensive income for the period	–	–	–	4,535	8,235	–	12,770	(23)	12,747
As at 31 March 2012	<u>47,630</u>	<u>29,522</u>	<u>8,623</u>	<u>32,866</u>	<u>184,680</u>	<u>3,000</u>	<u>306,321</u>	<u>2,012</u>	<u>308,333</u>

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.

### (a) Statement of compliance

The unaudited condensed consolidated financial results have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as “HKFRS”), and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by 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 2011.

### (b) Functional and presentation currency

#### *Change of presentation currency*

The functional currency of the Company is Hong Kong Dollars (“HK\$”). In previous years, the consolidated financial statement were presented in Singapore Dollars (“S\$”). From 2011 onwards, the directors decided to present the consolidated financial statements in HK\$ with a view to provide more relevant information about the performance of the Group.

The comparative figures have been restated to conform with the revised presentation.

## 2. REVENUE

Revenue of the Group is recognised by category is as follows:

	<b>(Unaudited)</b> <b>three months ended</b> <b>31 March</b>	
	<b>2012</b>	<b>2011</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Restated)</b>
<b>Revenue</b>		
Sales of motor vehicles	–	20,596
Technical fee income	<b>6,001</b>	9,433
Servicing of motor vehicles and sales of auto parts	<b>54,521</b>	37,387
	<b>60,522</b>	<b>67,416</b>

	<b>(Unaudited)</b>	
	<b>three months ended</b>	
	<b>31 March</b>	
	<b>2012</b>	<b>2011</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Restated)</b>
<b>Other income</b>		
Rental income – sublease	<b>4,682</b>	3,995
Interest income on financial assets stated at amortised cost	<b>143</b>	58
Warranty claims	<b>7,671</b>	7,752
Other income	<b>3,309</b>	4,639
	<u><b>15,805</b></u>	<u><b>16,444</b></u>

### 3. INCOME TAX EXPENSE

The charge comprises:

	<b>(Unaudited)</b>	
	<b>three months ended</b>	
	<b>31 March</b>	
	<b>2012</b>	<b>2011</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Restated)</b>
<b>Current – Hong Kong</b>		
Charge for the period	<b>430</b>	976
Over-provision in prior period	<b>–</b>	(461)
<b>Current – Overseas</b>		
Charge for the period	<b>2,220</b>	1,513
	<u><b>2,650</b></u>	<u><b>2,028</b></u>

Hong Kong profit tax has been provided at the rate of 16.5% on the estimated assessable profits. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rate of tax prevailing in the countries in which the Group operates.

The income tax provision in respect of operations in the PRC is calculated at the applicable rates on the estimated assessable profits for the period based on the unification of the income tax rates for domestic-invested and foreign-invested enterprises at 25%.

The Group has no material unprovided deferred taxation for the period. (2011: Nil)

### 4. EARNINGS PER SHARE

The calculation of basic earnings per share for the three months ended 31 March 2012 was based on the unaudited profit attributable to owners of the Company for the period of approximately HK\$8,235,000 (2011: HK\$5,516,000) and on the weighted average number of 476,300,000 (2011: 476,300,000) ordinary shares in issue during the period.

Diluted earnings per share for the period ended 31 March 2012 and 2011 was not presented as there were no dilutive potential ordinary shares in existence during the three months ended 31 March 2012 and 2011.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group has continued to maintain its market share and strategic position by staying at the luxury automotive section in the mainland China. The management expects sales of luxury cars in China to rise at a slower pace due to higher fuel costs and a decelerating economy.

Despite the customer demand is slowing down and defer in sales of motor vehicles, the servicing sector of motor vehicles and sales of auto parts sector has shown a continuous demand in sales support for luxurious vehicles and has increased by 45.8% in the first quarter in year 2012 compared to that in year 2011. While the gross profit margin saw an increase from 19.2% to 29.9% during the period.

#### **1. Sales of motor vehicles**

For the three months ended 31 March 2012, there recorded no car sales of motor vehicles as compared to sales of HK\$20,596,000 in the year 2011. This was due to: (1) orders were mainly placed from RUF GmbH, a new dealership supplier since early in year 2011, however these cars are not yet delivered and sold as at the date of this announcement and thus defer in ordering new imported cars in the first quarter of year 2012; and (2) as a result of slowing demand in the consumer market. It is expected there will have more car sales starting in the second quarter of year 2012.

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

Revenue generated from servicing of motor vehicles and sales of auto parts increased by approximately 45.8% to HK\$54,521,000 as compared to the corresponding period in 2011. The increase was due to the continuous demand of after sales support for luxurious vehicles, supplemented by the precious service of the Group's 4S servicing centers in China.

#### **3. Technical fee income**

The Group received technical fee income from Zhong Bao Group for providing management consulting and technical assistance for its purchase for the locally assembled BMW vehicles sold. Technical fee income for the three months ended 31 March 2012 was approximately HK\$6,001,000, decreased by approximately 36.4% compared to the corresponding period in 2011. The decrease was mainly due to the decrease in the corresponding car sales of locally assembled BMW sold by Zhong Bao Group during the period. This was attributable from the seasonal effect of reduce in consumer demand after the Lunar New Year holiday season and thus showing a cool down in sales in the PRC economy.

#### **4. Car rental business**

The operation of car rental business in Hong Kong for the three months ended 31 March 2012 was approximately HK\$4,682,000, representing an increase of 17.2% compared to the corresponding period in 2011.

## **FINANCIAL REVIEW**

### **Revenue**

The unaudited consolidated revenue for the three months ended 31 March 2012 has decreased from approximately HK\$67,416,000 in the corresponding period in 2011 to approximately HK\$60,522,000 in year 2012, by approximately 10.2%. The decrease was mainly contributed by the decrease in both the sales of motor vehicles and the technical fee income, despite there was an increase in servicing income & sales of auto parts.

### **Gross profit**

The gross profit for the three months ended 31 March 2012 was approximately HK\$18,069,000, an increase of approximately 10.7% as compared to the corresponding period in 2011. The increase in gross profit was mainly due to increased revenue generated from the segment of servicing of motor vehicles. The gross profit margin was approximately 29.9% for the three months ended 31 March 2012, compared to that of 19.2% for the corresponding period in 2011.

### **Operating lease charges**

During the three months ended 31 March 2012, the operating lease charge was approximately HK\$1,709,000 as compared to the HK\$1,613,000 of the corresponding period in 2011. The increase was mainly due to the fluctuation of exchange currencies against RMB and SGD.

### **Exchange loss**

During the three months ended 31 March 2012, the exchange loss was approximately HK\$2,930,000. The exchange loss was mainly due to the fluctuation of other currencies against RMB and SGD, as the Group's main operation was conducted in RMB.

### **Other operating expenses**

For the three months ended 31 March 2012, other operating expenses were approximately HK\$5,689,000 representing a decrease of approximately 15.1% as compared to the corresponding period in 2011, being in proportion to the decrease in car sales activity and less promotional expenses was incurred during the period.

### **Total comprehensive income attributable to owners of the Company**

The total comprehensive income attributable to owners of the Company for the three months ended 31 March 2012 was approximately HK\$12,770,000, representing an increase of approximately 28.6% compared to the corresponding period in 2011. The increase was mainly due to the cost savings in operating expenses in proportion to the decrease in car sales activity.

## INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2012 (three months ended 31 March 2011: Nil).

## BUSINESS PROSPECTS

The financial crisis in Europe continues to hinder the sales of automobiles in Europe as well as the PRC. Though the economy of China shows a cooling down during the Lunar New Year holiday season, it is still the largest market for the BMW's 7-series, the X6 and the X-5 series. BMW expects its sales to rise by at least 10 percent in China in the second half of 2012.

In March 2012, BMW introduced a new four-door version of the 6-Series coupe at the Geneva International Motor Show. In addition, the introduction of the distributorship of RUF products in China will enhance our income and business diversification. The Group is expecting the synergy effect with the venture with RUF will extend its core income stream to other prestigious brand as well different series of products and services at luxury car lovers are looking for.

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

As at 31 March 2012, 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

Name	Capacity	Number of ordinary shares held				Total	Approximate percentage of shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interests		
Loh Nee Peng	Interest of a controlled corporation	–	–	100,149,480 (Note 1)	–	100,149,480	21.03%
Loh Boon Cha	Deemed interest	–	54,865,480 (Note 2)	45,284,000 (Note 2)	–	100,149,480	21.03%



*Notes:*

1. The 100,149,480 shares are held as to 54,865,480 shares by Big Reap International Limited and as to 45,284,000 shares by Loh & Loh Construction Group Ltd., which are interested as to 100% and 15%, respectively by Mr. Loh Nee Peng. By virtue of the SFO, Mr. Loh Nee Peng is deemed to be interested in the shares held by Big Reap International Limited and Loh & Loh Construction Group Ltd.
2. The 100,149,480 shares are held as to 45,284,000 shares by Loh & Loh Construction Group Ltd., which is interested as to 21% by Mr. Loh Boon Cha; and as to 54,865,480 shares by Big Reap International Limited which is interested as to 100% by Mr. Loh Nee Peng. By virtue of the SFO, Mr. Loh Boon Cha is deemed to be interested in the shares held by Big Reap International Limited due to family ties as Mr. Loh Boon Cha is the father of Mr. Loh Nee Peng.

Save as disclosed above, as at 31 March 2012, none of the Directors or their associates, has any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which are notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under the provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

## **INTERESTS AND SHORT POSITION OF SHAREHOLDERS**

As at 31 March 2012, the persons or corporations (other than directors or chief executive of the Company) who have interests or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or have otherwise notified to the Company were as follows:

<b>Name</b>	<b>Capacity</b>	<b>Number of shares held</b>	<b>Approximate percentage of shareholding</b>
Loh & Loh Construction Group Ltd.	Beneficial owner (Note 1)	45,284,000	9.51%
Loh Kim Her	Interest of a controlled corporation (Note 2)	53,284,000	11.18%
Fang Zhen Chun	Beneficial owner	90,792,000	19.06%
Chan Hing Ka Anthony	Beneficial owner and interest of a controlled corporation (Note 3)	95,141,925	19.98%

*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 53,284,000 shares held as to 8,000,000 shares by Affluence Investment International Limited, and as to 45,284,000 shares by Loh & Loh construction Group Ltd., which are interested as to 100% and 15% respectively by Mr. Loh Kim Her. By virtue of the SFO, Mr. Loh Kim Her is deemed to be interested in the shares held by Affluence Investment Limited and Loh & Loh Construction Group Ltd.
3. The 95,141,925 shares held as to 49,481,925 shares by Tycoons Investment International Limited and as to 45,284,000 shares by Loh & Loh Construction Group Ltd., which are interested as to 100% and 49% respectively by Mr. Chan Hing Ka Anthony, as well as 376,000 shares held directly by Mr. Chan Hing Ka Anthony. By virtue of the SFO, Mr. Chan Hing Ka Anthony is deemed to be interested in the shares held by Tycoons Investment International Limited and Loh & Loh Construction Group Ltd.

Save as disclosed above, as at 31 March 2012, 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' AND CHIEF EXECUTIVES' 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 2012, 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 2012, 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 17.16 and 17.17, a disclosure obligation arises where the increment of advanced amount to an entity from the Group exceeds 3% under the assets ratio as defined under Rule 19.07(i) of the GEM Listing Rules (the “Assets Ratio”). As at 31 March 2012, the Company’s total assets were approximately HK\$577,366,000.

	(Unaudited) As at 31 March 2012 HK\$'000	Assets Ratio (%)	(Audited) As at 31 December 2011 HK\$'000	Increment as compared to Assets Ratio (%)
<b>NAGC Group:</b>				
Prepaid rental expenses	<b>38,389</b>	6.6%	37,394	N/A
Advances to NAGC	<b>495</b>	0.1%	491	N/A
Guarantee to NAGC	<u><b>21,741</b></u>	<u>3.8%</u>	<u>21,750</u>	N/A
	<u><b>60,625</b></u>	10.5%	<u><b>59,635</b></u>	
<b>Zhong Bao Group*:</b>				
Advances to Zhong Bao Group	<b>174,450</b>	30.2%	133,518	6.7%
Guarantees to Zhong Bao Group	<u><b>256,256</b></u>	<u>44.4%</u>	<u>256,672</u>	N/A
	<u><b>430,706</b></u>	74.6%	<u><b>390,190</b></u>	
	<u><b>491,331</b></u>	85.1%	<u><b>449,825</b></u>	

\* Being Xiamen Zhong Bao and certain of its subsidiaries and related companies (“Zhong Bao Group”)

- 1) The details of transactions to NAGC which are of trading nature and remain outstanding as at 31 March 2012 are announced as follows:

### **Prepaid rental Expenses due from NAGC**

As at 31 March 2012, prepaid rental expenses of the amount of approximately HK\$38,389,000 (as at 31 December 2011: approximately HK\$37,394,000) were made in accordance with the co-operation agreement in March 2000 and entered between the Group and China National Automotive 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 Guangdong Province, Xiamen and Beijing. CNA Anhua (Hertz) is not connected with the Company, the Directors, chief executive, substantial shareholders or management shareholders of the Company and its subsidiaries or any of their respective associates (as defined under the GEM Listing Rules). As further disclosed in the circular under the section headed “Update on the 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.

### **Advances to NAGC**

Approximately HK\$495,000 (as at 31 December 2011: approximately HK\$491,000) were advanced to NAGC Group, representing 0.1% of the Group’s Assets Ratio. The advances were for their purchase of automobiles and related import tax expenses so as to leverage the distribution network of NAGC Group for marketing and promotional purposes. As disclosed under the section headed “Risk Factors” of the Prospectus, the PRC imposes restrictions on the imports of motor vehicles. NAGC Group is one of the eligible entities in the PRC which are allowed to distribute imported automobiles in the PRC. The Directors considered that the Group’s reliance on NAGC Group in promoting sales of imported cars in the PRC and the provision of advances to NAGC Group by the Group in this regard are normal commercial practice. The advances were unsecured, interest free and repayable in or before 30 June 2012.

## **Guarantee to NAGC**

Guarantee in the amount of approximately HK\$21,741,000 (as at 31 December 2011: approximately HK\$21,750,000) were provided to a bank in respect of banking facilities granted to NAGC Group. The guarantee was for the banking facilities granted for the use in car rental business by the Three Sub-licensees. The Group is negotiating with the correspondent bank to release the above guarantee. The Group does not have any security or receive any considerations from NAGC Group by giving such guarantee.

- 2) The details of transactions to Zhong Bao Group which are of trading nature and remain outstanding as at 31 March 2012 are announced as follows:

## **Advances to Zhong Bao Group**

As at 31 March 2012, advances of approximately approximately HK\$174,450,000 (as at 31 December 2011: approximately HK\$133,518,000) were advanced to Zhong Bao Group, representing 30.2% of the Group's Assets Ratio.

The advances were made for the marketing activities of the PRC manufactured BMW motor vehicles in accordance with a co-operation agreement entered between Xiamen Zhong Bao and the Group on 7 October 2003. There comprised a portion were the technical fee income derived from the provision of management consulting and technical assistance to Zhong Bao Group in relation to their sales of the PRC manufactured BMW motor vehicles. The amounts due from Xiamen Zhong Bao were unsecured, interest free and repayable in cash by the end of October 2012.

## **Guarantees to Zhong Bao Group**

Guarantees in the amount of approximately HK\$256,256,000 (as at 31 December 2011: approximately HK\$256,672,000) 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.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

During the three months ended 31 March 2012, 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. Application of corporate governance policies are consistent with those adopted by the Group in the preparation of the annual report for the year ended 31 December 2011.

## **AUDIT COMMITTEE**

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company's Audit Committee was formed on 5 June 2002 and is currently composed of namely, Mr. Lee Kwok Yung, Mr. Yin Bin, Miss Song Qi Hong and Mr. Wong Jacob. The primary duties of the Audit Committee are (a) to review the Group's annual reports and financial statements, interim reports and quarterly reports, (b) to provide advices and comments thereon to the Board, and (c) to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee has received the first quarter results and provided comments.

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 14 May 2012.

## **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 2012.

## **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. Lin Ju Zheng. Independent non-executive directors of the Company as at the date hereof are Mr. Yin Bin, Mr. Lee Kwok Yung, Miss Song Qi Hong and Mr. Wong Jacob.

By Order of the Board  
**G.A. Holdings Limited**  
**Loh Nee Peng**  
*Executive Deputy Chairman*

Hong Kong, 14 May 2012

*Executive directors of the Company as at the date hereof are Mr. Loh Boon Cha, Mr. Loh Nee Peng and Mr. Lin Ju Zheng. Independent non-executive directors of the Company as at the date hereof are Mr. Yin Bin, Mr. Lee Kwok Yung, Miss Song Qi Hong and Mr. Wong Jacob.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and that there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page on the GEM website at [www.hkgem.com](http://www.hkgem.com), the HKEx website at [www.hkexnews.hk](http://www.hkexnews.hk) and the company’s website at [www.ga-holdings.com.hk](http://www.ga-holdings.com.hk) for at least 7 days from the date of its posting.*