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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

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.

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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, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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 2011 together with the comparative figures for the year ended 31 December 2010, as follows:

Consolidated statement of comprehensive income for the year ended 31 December 2011

	Notes	**2011** ***HK$'000***	2010 *HK$'000* (Restated)
Revenue	*4*	**301,830**	244,784
Other income	*6*	**78,062**	57,342
Changes in inventories		**(216,262)**	(182,041)
Employee benefit expenses		**(42,679)**	(30,762)
Depreciation and amortisation		**(12,789)**	(10,587)
Operating lease charges		**(13,142)**	(7,860)
Exchange differences, net		**500**	(3,554)
Other expenses		**(43,336)**	(26,154)
Profit from operating activities		**52,184**	41,168
Finance costs		**(11,150)**	(8,878)
Profit before income tax		**41,034**	32,290
Income tax expense	*7*	**(11,625)**	(11,066)
Profit for the year		**29,409**	21,224
Other comprehensive income, including reclassification adjustments			
Exchange gain on translation of financial statements of foreign operations		**8,175**	17,081
Other comprehensive income, including reclassification adjustments		**8,175**	17,081
Total comprehensive income for the year		**37,584**	38,305
Profit for the year attributable to:			
Owners of the Company		**29,454**	21,271
Non-controlling interests		**(45)**	(47)
		29,409	21,224
Total comprehensive income attributable to:			
Owners of the Company		**37,538**	38,279
Non-controlling interests		**46**	26
		37,584	38,305
Earnings per share attributable to the owners of the Company for the year (HK$ cents)	*8*		
Basic		**6.18**	4.72
Diluted		**N/A**	N/A

Consolidated statement of financial position
as at 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000 (Restated)	1 January 2010 HK$'000 (Restated)
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment		**80,434**	66,502	53,807
Leasehold lands		**4,767**	4,843	4,575
Prepaid rental expenses		**36,480**	38,101	35,652
Non-current receivables		**21**	20	20
		121,702	109,466	94,054
Current assets				
Inventories		**30,647**	32,028	28,079
Trade receivables	*9*	**93,347**	95,964	77,659
Prepayments, deposits and other current assets		**243,646**	191,317	150,422
Due from a director		**26**	24	23
Pledged deposits		**23,902**	23,451	17,337
Cash and cash equivalents		**54,904**	78,106	55,485
		446,472	420,890	329,005
Current liabilities				
Trade payables	*10*	**15,646**	14,073	10,410
Accruals and other payables		**83,365**	66,508	55,668
Pension and other employee obligations		**29**	119	155
Bills payables		**42,638**	57,487	54,859
Borrowings		**72,478**	67,370	29,947
Due to related companies		**297**	300	274
Due to directors		**34,765**	24,031	17,092
Tax payable		**14,978**	30,482	31,676
		264,196	260,370	200,081
Net current assets		**182,276**	160,520	128,924
Total assets less current liabilities		**303,978**	269,986	222,978
Non-current liabilities				
Borrowings		**7,120**	10,712	11,656
Deferred tax liabilities		**1,272**	1,272	1,272
		8,392	11,984	12,928
Net assets		**295,586**	258,002	210,050
EQUITY				
Equity attributable to Company's equity holders				
Share capital		**47,630**	47,630	43,300
Reserves		**245,921**	208,383	164,787
		293,551	256,013	208,087
Non-controlling interests		**2,035**	1,989	1,963
Total equity		**295,586**	258,002	210,050

Consolidated statement of changes in equity for the year ended 31 December 2011

	Equity attributable to equity holders of the Company						Non-	
	Issued capital	Share premium*	Capital reserve*	Translation reserve*	Retained profits*	Total	controlling interests	Total Equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
At 1 January 2010	43,300	24,205	8,623	3,239	128,720	208,087	1,963	210,050
Proceeds from shares issued	4,330	5,413	–	–	–	9,743	–	9,743
Share issue expenses	–	(96)	–	–	–	(96)	–	(96)
Transactions with owners	4,330	5,317	–	–	–	9,647	–	9,647
Profit for the year	–	–	–	–	21,271	21,271	(47)	21,224
Other comprehensive income, including reclassification adjustments								
Translation difference	–	–	–	17,008	–	17,008	73	17,081
Total comprehensive income for the year	–	–	–	17,008	21,271	38,279	26	38,305
At 31 December 2010 and 1 January 2011	47,630	29,522	8,623	20,247	149,991	256,013	1,989	258,002
Profit for the year	–	–	–	–	29,454	29,454	(45)	29,409
Other comprehensive income, including reclassification adjustments								
Translation difference	–	–	–	8,084	–	8,084	91	8,175
Total comprehensive income for the year	–	–	–	8,084	29,454	37,538	46	37,584
At 31 December 2011	**47,630**	**29,522**	**8,623**	**28,331**	**179,445**	**293,551**	**2,035**	**295,586**

* *These reserves accounts comprise the consolidation reserves of HK$245,921,000 (2010: HK$208,383,000 as restated) in the consolidated statement of financial position as at 31 December 2011.*

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, 8 Hysan Avenue, Hong Kong. The Company's shares are listed on the Growth Enterprise Market ("GEM") 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 financial statements for the year ended 31 December 2011 were approved for issue by the board of directors on 29 March 2012.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 January 2011

HKAS 24 (Revised)	Related Party Disclosures
Various	Improvements to HKFRSs 2010

Except as explained 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 24 (Revised) – Related Party Disclosures

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with government entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance, the identification of the related parties and the disclosures of the related party transactions of the Group.

(b) New/revised HKFRSs that have been issued but are not yet effective

At the date of authorisation, the following new/revised HKFRSs, potentially relevant to the Group's financial statement, have been issued, but are not yet effective and have not been early adopted by the Company.

Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets[1]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[2]
Amendments to HKAS 32	Presentation – Offsetting Financial Assets and Liabilities[4]
HKFRS 9	Financial Instruments[5]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 12	Disclosure of Interests in Other Entities[3]
HKFRS 13	Fair Value Measurement[3]
HKAS 27 (2011)	Separate Financial Statements[3]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2012
[3] Effective for annual periods beginning on or after 1 January 2013
[4] Effective for annual periods beginning on or after 1 January 2014
[5] Effective for annual periods beginning on or after 1 January 2015

Amendments to HKFRS 7 – Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 improve the disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 – Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee.

Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor.

An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 12 – Disclosure of Interest in Other Entities

HKFRS 12 integrates and make consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors are not yet in a position to quantify the effects on the Group's financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as "HKFRSs") and the disclosure requirements of 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 of The Stock Exchange of Hong Kong Limited.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis. The measurement bases are fully described in the accounting policies below.

(c) 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.

(d) Changes of presentation of expense items

For the current year, the directors decided to present the expenses recognised in profit or loss using a classification based on the nature of the expense items with a view to provide more relevant information about the performance of the Group. Accordingly, the relevant comparative figures have been restated as follows:

	2010 *HK$'000* (Restated)
Cost of sales original stated	196,876
Amount reclassified to employee benefit expenses	(10,719)
Amount reclassified to other expenses	(4,116)
Changes in inventories	182,041
Employee benefit expenses original stated	(20,043)
Amount reclassified from cost of sales	(10,719)
Employee benefit expenses restated	(30,762)
Other expenses original stated	(22,038)
Amount reclassified from cost of sales	(4,116)
Other expenses restated	(26,154)

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 revenue, recognised during the year is as follows:

	2011 ***HK$'000***	2010 *HK$'000* (Restated)
Sales of motor vehicles	**76,160**	87,149
Technical fee income	**36,365**	27,698
Servicing of motor vehicles and sales of auto parts	**189,305**	129,937
	301,830	244,784

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")

– Servicing 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.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

– rental income

– finance costs

– income tax

– corporate income and expenses which are not directly attributable to the business activities of any operating segment

are not included in arriving at the operating results of the operating segment.

Segment assets exclude corporate assets which are not directly attributable to business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

No asymmetrical allocation have been applied to reportable segments.

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

	2011			
	Activity 1	**Activity 2**	**Activity 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Revenue				
From external customers	**112,525**	**189,305**	**–**	**301,830**
From other segments	**–**	**–**	**3,047**	**3,047**
Reportable segment revenue	**112,525**	**189,305**	**3,047**	**304,877**
Reportable segment profit	**27,316**	**20,414**	**3,047**	**50,777**
Bank interest income	**106**	**246**	**–**	**352**
Depreciation and amortisation of non-financial assets	**(1,204)**	**(4,776)**	**–**	**(5,980)**
Write down of inventories to net realisable value	**(552)**	**–**	**–**	**(552)**
Gain on disposal of property, plant and equipment	**–**	**–**	**892**	**892**
Reportable segment assets	**152,720**	**293,045**	**–**	**445,765**
Addition to non-current segment assets during the year	**–**	**9,535**	**–**	**9,535**
Reportable segment liabilities	**49,976**	**99,272**	**9,535**	**158,783**

	2010			
	Activity 1	Activity 2	Activity 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Restated)	(Restated)	(Restated)	(Restated)
Revenue				
From external customers	114,847	129,937	–	244,784
From other segments	–	–	2,727	2,727
Reportable segment revenue	114,847	129,937	2,727	247,511
Reportable segment profit	16,242	25,251	2,727	44,220
Bank interest income	96	111	–	207
Depreciation and amortisation of non-financial assets	(1,104)	(3,710)	–	(4,814)
Write down of inventories to net realisable value	(458)	–	–	(458)
Gain on disposal of property, plant and equipment	–	–	972	972
Reportable segment assets	160,854	230,273	–	391,127
Addition to non-current segment assets during the year	–	11,419	–	11,419
Reportable segment liabilities	70,545	81,140	10,940	162,625

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:

	2011 *HK$'000*	2010 *HK$'000* (Restated)
Reportable segment revenues	**304,877**	247,511
Elimination of inter segment revenues	**(3,047)**	(2,727)
Group revenues	**301,830**	244,784
Reportable segment profit	**50,777**	44,220
Other income	**78,062**	57,342
Unallocated corporate expenses	**(73,608)**	(57,667)
Finance costs	**(11,150)**	(8,878)
Elimination of inter segment profits	**(3,047)**	(2,727)
Profit before income tax	**41,034**	32,290
Reportable segment assets	**445,765**	391,127
Non-current corporate assets	**23,812**	17,251
Current corporate assets	**98,597**	121,978
Group assets	**568,147**	530,356
Reportable segment liabilities	**158,783**	162,625
Non-current corporate liabilities	**7,040**	4,869
Current corporate liabilities	**106,765**	104,860
Group liabilities	**272,588**	272,354

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**	
	2011 ***HK$'000***	2010 *HK$'000* (Restated)	**2011** ***HK$'000***	2010 *HK$'000* (Restated)
Singapore (domicile)	**–**	–	**1,056**	1,243
The PRC	**301,830**	244,784	**96,856**	90,993
Unallocated assets	**–**	–	**23,790**	17,230
	301,830	244,784	**121,702**	109,466

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 2011, HK$47,087,000 of 16% of the Group's revenue depended on a single customer in sales of motor car and provision of technical service segment (2010: HK$24,131,000 of 10% as restated).

As at 31 December 2011, 24% of the Group's trade receivables were due from this customer (2010: 18%).

6. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Rental income – sublease	**15,478**	12,452
Interest income on financial assets stated at amortised cost	**352**	207
Financial guarantee income	**3,506**	–
Warranty claims	**36,911**	32,085
Other income	**21,815**	12,598
	78,062	57,342

7 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 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%.

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Current – Hong Kong		
Charge for the year	**2,617**	2,325
Under-provision in prior years	**1,589**	–
Current – Overseas		
Charge for the year	**5,377**	8,741
Under-provision in prior years	**2,042**	–
Total income tax expense	**11,625**	11,066

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

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Profit before income tax	**41,034**	32,290
Tax on profits before income tax expenses, calculated at the rates applicable to profits in the tax jurisdiction concerned	**8,301**	7,232
Non-deductible expenses	**5,852**	5,426
Tax exempt revenue	**(6,159)**	(1,589)
Others	**–**	(3)
Under-provision in prior years	**3,631**	–
Income tax expenses	**11,625**	11,066

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 HK$29,454,000 (2010: HK$21,271,000 as restated) and on the weighted average number of 476,300,000 (2010: 451,000,000) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 31 December 2011 and 2010 was not presented as there was no dilutive potential ordinary share for the year ended 31 December 2011 and 2010.

9. TRADE RECEIVABLES – GROUP

At 31 December 2011, the ageing analysis of trade receivables was as follows:

	31 December		1 January
	2011	2010	2010
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
0 – 90 days	**39,044**	31,293	23,458
91 – 180 days	**30,143**	20,385	23,242
181 – 365 days	**8,738**	26,945	19,303
Over 1 year	**18,816**	20,859	14,892
	96,741	99,482	80,895
Less: allowance for impairment of receivables	**(3,394)**	(3,518)	(3,236)
	93,347	95,964	77,659

In addition to the advances to NAGC Group and Zhong Bao Group, the Group's trade receivables included trade debts of HK$76,023,000 (2010: HK$32,030,000 as restated) due from Zhong Bao Group as at 31 December 2011.

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:

	31 December		1 January
	2011	2010	2010
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
At 1 January	**3,518**	3,236	3,264
Exchanges differences	**(124)**	282	(28)
At 31 December	**3,394**	3,518	3,236

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.

Except for the collateral, none of the Group's financial assets are secured by collateral or other credit enhancements.

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:

		31 December		1 January
		2011	2010	2010
	Notes	***HK$'000***	*HK$'000*	*HK$'000*
			(Restated)	(Restated)
Neither past due nor impaired	*(a)*	**72,193**	78,678	57,291
1 – 90 days past due	*(a)*	**16,398**	4,795	11,144
91 – 180 days past due	*(a)*	**2,794**	2,473	930
Over 180 days past due	*(b)*	**1,962**	10,018	8,294
		21,154	17,286	20,368
		93,347	95,964	77,659

(a) The directors 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 almost full settlement after the reporting date.

As at 31 December 2011, trade receivables of HK$72,193,000 (2010: HK$78,678,000 as restated) 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 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 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 past due but not impaired.

The directors of the Group consider that the fair values 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:

	31 December		1 January
	2011	2010	2010
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
0 – 30 days	**6,001**	4,098	5,116
31 – 180 days	**3,171**	1,746	1,615
181 – 365 days	**230**	1,555	135
1 – 2 years	**2,664**	744	1,413
Over 2 years	**3,580**	5,930	2,131
	15,646	14,073	10,410

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has continued to maintain its market share and strategic position by staying at the luxury automotive sector in mainland China. However, since October in year 2011, there has been a decline in car sales for the Group, the sales of motor vehicles has dropped from HK$87,149,000 to HK$76,160,000. The decrease in the total car sales was mainly due to the end of stimulus measures defer purchases and as a result of economic downturn from the European market.

Despite there is a drop in the sales of motor vehicles, the total revenue of the Group for year 2011 has increased by 23.3% from HK$244,784,000 to HK$301,830,000. The gross profit margin saw an increase from 25.6% in 2010 to 28.3% in 2011. The increase in servicing of motor vehicles and technical fee income mainly attributed to the overall increase in total revenue.

SALES OF MOTOR VEHICLES

The revenue of this segment represented approximately 25.2% of the total Group revenue of the year. As for comparison to the corresponding period last year, a decrease of approximately 10.4% on the composition of revenue was recorded. This decrease was mainly due to the end of government stimulus measures that defer purchases starting in the four quarter of the year, as well as the cool down in the economy due to the downturn from the European market.

SERVICING OF MOTOR VEHICLES AND SALES OF AUTO PARTS

Revenue generated from the servicing of motor vehicles and sales of auto parts for the year 2011 increased by 45.7%. Servicing income increased to approximately HK$189,305,000, contributing 62.7% of the Group's revenue. The increase was due to the continuous increase demand of after-sales support for luxurious vehicles in its 4S car shops, representing sales, spare parts, service and survey/customer feedback.

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 2011 was approximately HK$36,365,000, taking up approximately 12.0% in terms of the Group's total revenue composition, as compared to the 11.3% in 2010. The increase was due to the corresponding increase in car sales of locally assembled BMW sold 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 2011. 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 2011, shareholders' fund of the Group amounted to approximately HK$295,586,000 (2010: HK$258,002,000). Current assets amounted to approximately HK446,472,000 (2010: HK$420,890,000). Of which approximately HK$78,806,000 (2010: HK$101,557,000) were cash and bank deposits. Current liabilities amounted to approximately HK$264,196,000 (2010: HK$260,370,000) 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 HK$8,392,000(2010: HK$11,984,000). The net asset value per share as at 31 December 2011 was HK$0.621 (2010: HK$0.572).

Capital Structure of the Group

During the year ended 31 December 2011, the Group had no debt securities in issue (2010: Nil).

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

Significant Investment

As at 31 December 2011, the Group had no significant investment held (2010: Nil).

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the year ended 31 December 2011, the Group had no material acquisitions and disposals of subsidiaries and affiliated companies (2010: Nil).

Employees

As at 31 December 2011, the total number of employee of the Group was approximately 385 (2010: 342 as restated). For the year ended 31 December 2011, the staff costs including directors' remuneration of the Group amounted to approximately HK$42,679,000 (2010: HK$30,762,000), around 14.1% of the revenue of the Group and an increase of approximately 38.7% as compared to that of the year ended 31 December 2010. 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 2011, the Group pledged time deposits of approximately HK$23,902,000 (2010: HK$23,451,000) 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 HK$4,767,000 (2010: HK$4,843,000) and HK$810,000 (2010: HK$836,000) respectively are pledged to bank to secure banking facilities up to approximately HK$256,672,000 (2010: HK$174,909,000) granted to Zhong Bao Group at the balance sheet date.

Material Investments or Capital Assets

As at 31 December 2011, the Group had no future plans for material investment. (2010: Nil)

Gearing Ratio

The Group expresses its gearing ratio as a percentage of bills payable, bank borrowings and long-term debts over total equity shareholder's fund. As at 31 December 2011, the Group had a gearing ratio of 0.19 (2010: 0.18).

Foreign Exchange Exposure

During the year ended 31 December 2011, the Group had an exchange gain of approximately HK$500,000 (2010: HK$3,554,000 loss), mainly due to the fluctuation of other currencies against RMB, as well as from the translation of accounts receivables and inter-company balances from Euro and US dollars to Hong Kong dollars and the transactions of imports bill denominated in Euro and US dollars.

Contingent Liabilities

As at 31 December 2011, the Group provided a bank guarantee of approximately HK$21,750,000 (2010: HK$21,824,000) to a bank in respect of banking facilities to a related company of NAGC. As at 31 December 2011, the Group provided bank guarantee amounted to HK$256,672,000 in respect of banking facilities to Zhong Bao Group (2010: HK$174,909,000).

BUSINESS PROSPECT

In 2011, China became one of the major and most profitable markets of BMW, after Germany and the US. In particular, China is also the largest market for the BMW's 7-series, the X6 and the 5–Series. By staying at the deluxe automotive sector in mainland China, the Group is continuous to be benefited from the advantage of economy growth in China quickly.

In March 2012, BMW introduced a new four-door version of the 6-Series coupe at the Geneva International Motor Show. The financial crisis in Europe hinders the sales of automobiles in Europe. Though the economy of China shows a cooling down during the Lunar New Year holiday season, BMW expects its sales to rise by at least 10 percent in China in 2012.

The introduction of the distributorship of RUF products in China will enhance our income and business diversification. By taking the synergy effect with the venture with RUF, the Group is able to extend its core income stream to other prestigious brand as well different series of products and services at luxury car lovers are looking for.

FINAL DIVIDEND

In view of the Group's favorable operating results for the year ended 31 December 2011 and having taken into consideration its long-term development, the Board recommends the payment of a final dividend of HK$0.0063 per ordinary share of the Company for the financial year ended 31 December 2011 (2010: Nil) to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 9 May 2012, subject to the approval by the Company's shareholders at the forthcoming Annual General Meeting ("AGM") to be held on Friday, 11 May 2012 and compliance with the laws of the Cayman Islands and other relevant rules and regulations.

Subject to the approval of the aforesaid proposed final dividend, the payment of final dividend will be made on or about Monday, 11 June 2012 and the dividend payout ratio for the year under review will be 10.2%.

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

None of the Directors and chief executive 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

None of the directors or the management shareholders of the Company had any interest in a business which competes or may compete with the business of the Group.

SHARE OPTION SCHEME

For the year ended 31 December 2011, the Company has not adopted any share option scheme, nor does 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 advance 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 December 2011, the Company's total assets were approximately HK$568,174,000.

	(Audited) 31 December 2011 HK$'000	Assets Ratio (%)	(Audited) 31 December 2010 HK$'000	Increment as compared to Assets Ratio (%)
NAGC Group:				
Prepaid rental advances	**37,394**	**6.6%**	38,824	N/A
Advances to NAGC	**491**	**0.1%**	5,273	N/A
Guarantee to NAGC	**21,750**	**3.8%**	21,824	N/A
	59,635	**10.5%**	65,921	
Zhong Bao Group *:				
Advances to Zhong Bao Group	**133,518**	**23.5%**	100,358	4.6%
Guarantees to Zhong Bao Group	**256,672**	**45.2%**	174,909	12.3%
	390,190	**68.7%**	275,267	
	449,825	**79.2%**	341,188	

Relevant advances in comparison to the previous disclosure are shown below:

	(Audited) 31 December 2011 HK$'000	Assets Ratio (%)	(Unaudited) 30 September 2011 HK$'000	Increment as compared to Assets Ratio (%)
NAGC Group:				
Prepaid rental advances	**37,394**	**6.6%**	36,976	0.4%
Advances to NAGC	**491**	**0.1%**	488	N/A
Guarantee to NAGC	**21,750**	**3.8%**	21,880	0.2%
	59,635	**10.5%**	59,344	
Zhong Bao Group *:				
Advances to Zhong Bao Group	**133,518**	**23.5%**	161,910	N/A
Guarantees to Zhong Bao Group	**256,672**	**45.2%**	180,988	15.0%
	390,190	**68.7%**	342,898	
	449,825	**79.2%**	402,242	

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

Prepaid Rental Expenses, Guarantee, Advances to NAGC and Zhong Bao Group

The total advances, guarantees provided to and due from NAGC and its subsidiaries or any of their respective associates (collectively the "NAGC") and Zhong Bao Group are in aggregate of approximately HK$449,825,000 as at 31 December 2011 (as at 31 December 2010: HK$341,188,000), representing 79.2% of the Assets Ratio.

NAGC engages in a wide range of business operations including state-grant import and export business of motor vehicles. NAGC Group is the business partner of the Group with a nationwide distribution network in the PRC. It assists the Group in distribution of motor vehicles and setting up car rental business in the PRC.

Zhong Bao Group engages in the operation of distribution of locally manufactured BMW motor vehicles in the PRC. On the other hand, the Group provides technical expertise and financial assistance to Zhong Bao Group. Technical agreement was entered between Zhong Bao Group and the Group which set out the basis for the amount of technical fee charged by the Group

1) The details of transactions to NAGC which are of trading nature and remain outstanding as at 31 December 2011 are announced as follows:

   Prepaid Rental Expenses due from NAGC

   As at 31 December 2011, prepaid rental expenses amounted to approximately HK$37,394,000 (as at 31 December 2010: HK$38,824,000) were made in accordance with the co-operation agreement in March 2000 and entered into between the Group and China National Automatic Anhua Hertz Services Centre Co. Ltd. ("CNA Anhua (Hertz)") a wholly owned subsidiary of NAGC for the construction of three showrooms/service centres and related facilities in the Guangdong Province, Xiamen and Beijing. CNA Anhua (Hertz) is not connected with the Company, the Directors, chief executive, substantial shareholder or management shareholders of the Company and its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules). As further disclosed in the circular under the section headed "Update on Progress of the Co-operation Projects with North Anhua Group Corporation and its Related Companies" issued by the Company dated 6 January 2004 (the "Circular"), according to the supplemental agreement entered between the Group and CNA Anhua (Hertz) dated 15 October 2002, the establishment of a showroom/service centre in Guangdong Province was not pursued. Therefore, the number of service centres was reduced to two. The Directors are of the view that the construction of showrooms/service centres and related facilities under these co-operation projects are important to the Group to achieve its business objectives as mentioned in the Prospectus and the prepaid rental expenses were made under normal commercial terms and in the ordinary course of business of the Group. The prepaid rental expenses entitled the Group to use such facilities for 50 years from the date of completion of the developments. The prepaid rental expense for the development project in Beijing was completed in December 2001. The development project in Haichang, Xiamen was completed in December 2003. The prepaid rental expenses were unsecured and interest free. The prepaid rental expenses for each of the said development project are amortized on a straight line basis over 50 years from the date of completion.

Advances to NAGC

Approximately HK$491,000 (as at 31 December 2010: HK$5,273,000) 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$21,750,000 (as at 31 December 2010: HK$21,824,000) were provided to a bank in respect of banking facilities granted to NAGC Group. The guarantee were 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 guarantees. 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 December 2011 are announced as follows:

Advances to Zhong Bao Group

As at 31 December 2011, advances of approximately HK$133,518,000 (as at 31 December 2010: HK$100,358,000) were advanced to Zhong Bao Group, representing 23.5% of the Group's Assets Ratio.

The advances were made for the marketing activities for 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$256,672,000 (as at 31 December 2010: HK$174,909,000) 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

For the year ended 31 December 2011, 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

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. Lee Kwok Yung, Mr. Yin Bin and Miss Song Qi Hong 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.

(3) Board of Directors

The Board of Directors ("Directors") of the Company is entrusted with the overall responsibility for promoting the success of the Company by the direction and supervision of the Company's business and affairs and the ultimate responsibility for the day to day management of the Company which is delegated to the chairman and the management.

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, 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 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 the internal control procedures of the Group.

In 2011, 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
Yin Bin	4/4
Lin Ju Zheng	0/2
Song Qi Hong	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 2011.

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.

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 2011.

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.

On behalf of the Board
Loh Nee Peng
Managing Director

Hong Kong, 29 March 2012

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.