



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 NINE MONTHS ENDED 30 SEPTEMBER 2006

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

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

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

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

The Stock Exchange takes no responsibility for the contents of this 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 (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 nine months ended 30 September 2006.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and nine months ended 30 September 2006

		(Unaudited) three months ended 30 September 2006		(Unaudited) nine months ended 30 September 2006	
		2006	2005	2006	2005
	<i>Notes</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Revenue	2	16,548	44,802	50,670	96,108
Other income	2	483	532	1,549	1,323
		17,031	45,334	52,219	97,431
Cost of sales		(12,519)	(38,963)	(40,085)	(84,638)
Employee benefits expenses		(533)	(538)	(1,658)	(1,389)
Depreciation and amortisation		(329)	(364)	(996)	(1,022)
Operating lease charges		(113)	(54)	(283)	(188)
Exchange differences, net		312	(1,662)	652	(1,660)
Other operating expenses		(1,097)	(2,158)	(2,491)	(3,856)
Profit from operating activities		2,752	1,595	7,358	4,678
Finance costs, net		(696)	(719)	(2,600)	(1,904)
Profit before income tax		2,056	876	4,758	2,774
Income tax expense	3	(458)	(291)	(909)	(626)
Profit for the period		1,598	585	3,849	2,148
Attributed to:					
Equity holders of the Company		1,600	590	3,860	2,163
Minority interests		(2)	(5)	(11)	(15)
Profit for the period		1,598	585	3,849	2,148
Earnings per share for profit attributable to the equity holders of the Company during the period					
Basic (Singapore cent)	4	0.40	0.15	0.97	0.54
Diluted (Singapore cent)		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the nine months ended 30 September 2005 and 2006

	Issued capital <i>S\$'000</i>	Share premium <i>S\$'000</i>	Capital reserve <i>S\$'000</i>	Translation reserve <i>S\$'000</i>	Retained profits <i>S\$'000</i>	Minority interests <i>S\$'000</i>	Total <i>S\$'000</i>
As at 1 January 2005	9,040	4,006	1,689	(1,136)	10,621	418	24,638
Net gains/(losses) not recognised in income statement							
Translation difference	–	–	–	1,429	–	21	1,450
Profit/(loss) for the period	–	–	–	–	2,163	(15)	2,148
As at 30 September 2005	<u>9,040</u>	<u>4,006</u>	<u>1,689</u>	<u>293</u>	<u>12,784</u>	<u>424</u>	<u>28,236</u>
As at 1 January 2006	9,040	4,006	1,689	301	14,292	421	29,749
Net gains/(losses) not recognised in income statement							
Translation difference	–	–	–	(2,039)	–	(21)	(2,060)
Profit/(loss) for the period	–	–	–	–	3,860	(11)	3,849
As at 30 September 2006	<u>9,040</u>	<u>4,006</u>	<u>1,689</u>	<u>(1,738)</u>	<u>18,152</u>	<u>389</u>	<u>31,538</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.

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

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

These unaudited condensed consolidated financial statements for the nine months ended 30 September 2006 have been reviewed by the audit committee of the Company and were approved by the board of directors on 14 November 2006.

2. Revenue

Revenue, which is the Group's turnover, recognised by category is as follows:

	(Unaudited) three months ended 30 September		(Unaudited) nine months ended 30 September	
	2006	2005	2006	2005
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Revenue – Turnover				
Sales of motor vehicles	11,085	42,091	38,330	86,729
Servicing of motor vehicles and sales of auto parts	3,109	2,293	8,624	5,801
Technical fee income	2,354	134	3,716	2,735
Management fee income	–	284	–	843
	<u>16,548</u>	<u>44,802</u>	<u>50,670</u>	<u>96,108</u>
Other income				
Rental income – Sublease	434	465	1,381	1,162
Other income	49	67	168	161
	<u>483</u>	<u>532</u>	<u>1,549</u>	<u>1,323</u>

3. Income tax expense

The charge comprises:

	(Unaudited) three months ended 30 September		(Unaudited) nine months ended 30 September	
	2006	2005	2006	2005
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Current – Hong Kong				
Charge for the period	62	291	209	571
Current – Overseas under provision in prior period/current period	396	–	700	55
Total income tax expenses	<u>458</u>	<u>291</u>	<u>909</u>	<u>626</u>

Hong Kong profit tax has been provided at the rate of 17.5% on the estimated assessable profits. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of tax prevailing in the countries in which the Group operates.

The Group has no material unprovided deferred taxation for the period (2005: Nil)

4. Earnings per share

The calculation of basic earnings per share for the three months ended 30 September 2006 was based on the unaudited consolidated profit attributable to shareholders of approximately S\$1,600,000 (2005: S\$590,000) and on the 400,000,000 (2005: 400,000,000) ordinary shares in issue during the three months ended 30 September 2006.

Diluted earnings per share was not presented as there were no dilutive potential ordinary shares in existence during the three months ended 30 September 2006 and 2005 respectively.

The calculation of basic earnings per share for the nine months ended 30 September 2006 was based on the unaudited consolidated profit attributable to shareholders of approximately S\$3,860,000 (2005: S\$2,163,000) and on the 400,000,000 (2005: 400,000,000) ordinary shares in issue during the nine months ended 30 September 2006.

Diluted earnings per share was not presented as there were no dilutive potential ordinary shares in existence during the nine months ended 30 September 2006 and 2005 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is delighted to announce our remarkable growth of profit during the third quarter of the year. With management's stringent cost control policies and determined strategy in expanding business sectors with relatively higher profit margin, consolidated profit for the nine months ended 30 September 2006 upsurged to S\$3,849,000, up 79% on comparison to the corresponding period in 2005. Gross profit margin increased from 11.9% last year, to 20.9% in 2006, up 9%. With growing contribution of other sources of income, car repairing sector significantly grew in its contribution proportion against car sales business.

With forthright and promising future anticipated under the WTO commitments, automobiles purchase have been delayed as there may be a further slash in prices in the near future, leading to decreased sales.

1. Sales of motor vehicles

Turnover generated from the sales of motor vehicles for the nine months ended 30 September 2006 was approximately S\$38,330,000, representing a decrease of approximately 55.8% as compared to the corresponding period in 2005. The decrease was mainly due to the reduction in sales of higher-priced motor vehicles. The sales of motor vehicles comprise 75.6% of the total turnover. As for comparison to the corresponding period last year, there recorded a decrease of approximately 14.6% on the composition of turnover in year 2006.

2. Servicing of motor vehicles and sales of auto parts

The Fuzhou subsidiary has commenced its car repairing and servicing business which enhanced extension of geographical coverage of service points of the Group. The increase in servicing capacity leads to a significant increase in profit with its high profit margin nature.

Turnover generated from servicing of motor vehicles and sales of auto parts for the nine months ended 30 September 2006 increased by approximately 48.7% to approximately S\$8,624,000.

3. Technical fee income

Technical fee income for the nine months ended 30 September 2006 was approximately S\$3,716,000, increased by approximately 35.9% as compared to the corresponding period in 2005 as number of cars sold in previous periods increased.

4. Car rental business

The operation of car rental business in Hong Kong has been expanded steadily. In addition to the establishing of extra service location, the Group acquired more cars and employed more staff to provide services of higher quality to the car rental customers. Increased fleet size and diversified marketing strategies sparks an extensive approach to reach out different targeted customer segments thereby increases sales. Turnover generated from car rental business increased substantially by 18.8% to approximately S\$1,381,000 compared to the corresponding period last year.

PROSPECTS

The outlook for the PRC automotive market remains optimistic about its growth. However, in a short run, car sales may be affected by the tightening of car loan mortgages in the PRC.

Recent figures show an explosion of credit growth in the PRC, as well as its bad debt ratio. With soaring bad debts for car mortgage loans, reaching an amount of more than a hundred billion RMB. It is believed that due actions of tightening of the car mortgage credit system will be taken. This will assert a downward pressure on the growth of car sales in the short run.

Looking forward, with promising WTO effects and continued high rates of infrastructure investments, soaring GDP and consumption, the PRC's economy ascendancy shall certainly take the lead amongst all other nations around the world. Analysts believe that the PRC government will make every effort to ensure economic stability ahead of the 17th congress of the Chinese Communist Party in late 2007, therefore a prosperous and stable economic growth is guaranteed, especially for the automotive sector where most nations' eyes are on.

FINANCIAL REVIEW

TURNOVER

Turnover for the nine months ended 30 September 2006 dropped by approximately 47.3% to approximately S\$50,670,000 as compared to the corresponding period in 2005. The decrease was mainly attributed by the decrease of sales of higher-priced motor vehicles under the effect of the tightening of mortgage credits in the PRC, as bad-debt rates surges. For the nine months ended 30 September 2006, the sales of motor vehicles decreased by approximately 55.8%, while the turnover generated from servicing of motor vehicles and sales of auto parts recorded increases.

GROSS PROFIT

The gross profit for the nine months ended 30 September 2006 was approximately S\$10,585,000, a decrease of approximately 7.7% as compared to the corresponding period in 2005. The decrease in gross profit was due to decreased revenue received from the car sales sector. The gross profit margin for the nine months ended 30 September 2006 was approximately 20.9%, up 9% of the corresponding period in 2005. The increase in gross profit margin resulted from increase in contribution from technical fee income and servicing income on the total group turnover.

EXCHANGE GAIN

For the nine months ended 30 September 2006, the exchange gain of the Group amounted to approximately S\$652,000, whereas an exchange loss amounted to approximately S\$1,660,000 was recorded for the corresponding period in 2005. The exchange gain was mainly resulted from the translation of accounts receivables, accounts payables and inter-company balances from Euro and US dollars to Singapore dollars and the transactions of imports and exports bill denominated in Euro and US dollars.

OTHER OPERATING EXPENSES

For the nine months ended 30 September 2006, other operating expenses were approximately S\$2,491,000 representing a decrease of approximately 35.4% as compared to the corresponding period in 2005. The decrease was mainly due to the decrease in operating cost of the car sales sector. Moreover, as our car servicing sector expanded steadily, economies of scales are achieved and operating expenses are optimized.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributed to equity holders of the Company for the nine months ended 30 September 2006 amounted to approximately S\$3,860,000 representing an increase of approximately 78.5% compared to the corresponding period in 2005.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2006 (2005: Nil).

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

As at 30 September 2006, the interests or short position of Directors in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which are notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under the provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares

Name	Capacity	Number of shares held				Total	Approximate percentage of shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interests		
Chan Hing Ka Anthony	Interest of controlled corporations	–	–	94,765,925 (Note 1)	–	94,765,925	23.69%
Loh Nee Peng	Interest of controlled corporations	–	–	100,149,480 (Note 2)	–	100,149,480	25.04%
Loh Boon Cha	Deemed interest	–	54,865,480 (Note 3)	45,284,000 (Note 3)	–	100,149,480	25.04%

Notes:

1. The 94,765,925 shares are 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. By virtue of the SFO, Mr. Chan Hing Ka Anthony is deemed to be interested in the shares held Tycoons Investment International Limited and Loh & Loh Construction Group Ltd.
2. 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 Big Reap International Limited and Loh & Loh Construction Group Ltd.
3. 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 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 30 September 2006, none of the Directors or their associates, has any interests or short position in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which are notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under the provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to Rule 5.48 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITION OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2006, 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:

Name	Capacity	Number of shares held	Approximate percentage of shareholding
Loh & Loh Construction Group Ltd.	Beneficial owner (<i>Note 1</i>)	45,284,000	11.32%
ComfortDelGro Corporation Limited	Interest of controlled corporations (<i>Note 2</i>)	61,667,570	15.42%

Notes:

1. Loh & Loh Construction Group Ltd. is held as to 49% by Mr. Chan Hing Ka Anthony, as to 15% by Mr. Loh Him Her, as to 15% by Mr. Loh Nee Peng and as to 21% by Mr. Loh Boon Cha. Mr. Chan Hing Ka Anthony and Mr. Loh Nee Peng are Directors and Mr. Loh Boon Cha is the brother of Mr. Loh Him Her and the father of Mr. Loh Nee Peng.
2. The 61,667,570 shares are held by ComfortDelGro (China) Pte Ltd., the wholly owned subsidiary of ComfortDelGro Corporation Limited. By virtue of the SFO, ComfortDelGro Corporation Limited is deemed to be interested in the shares held by ComfortDelGro Corporation (China) Pte Ltd.

Save as disclosed above, as at 30 September 2006, the Directors are not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company.

DIRECTORS' RIGHT TO SUBSCRIBE FOR EQUITY OR DEBT SECURITIES

None of the Directors or 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 (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 nine months ended 30 September 2006, the Company did not adopt any share option scheme, nor did it have any options or securities in issue which are convertible or exchangeable into shares of the Company.

ADVANCES TO ENTITIES

Pursuant to the Rules 17.15 and 17.17, a disclosure obligation arises where the relevant advance to an entity from the Group exceeds 8% under the assets ratio as defined under Rule 19.07(i) of the GEM Listing Rules (the “Assets Ratio”). As at 30 September 2006, the Company’s total assets were approximately S\$84,481,000.

	(Unaudited) As at 30 September 2006		% of Assets Ratio	(Unaudited) As at 30 June 2006	
	<i>S\$’000</i>	<i>HK\$’000</i>		<i>S\$’000</i>	<i>HK\$’000</i>
NAGC Group:					
Prepaid rental advances	<u>7,055</u>	<u>34,926</u>	8.4%	<u>6,941</u>	<u>33,694</u>

	(Unaudited) As at 30 September 2006		% of Assets Ratio	(Unaudited) As at 30 June 2006	
	<i>S\$’000</i>	<i>HK\$’000</i>		<i>S\$’000</i>	<i>HK\$’000</i>
Zhong Bao Group*:					
Guarantees to Zhong Bao Group	<u>19,800</u>	<u>98,020</u>	23.4%	<u>19,600</u>	<u>96,552</u>

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

PREPAID RENTAL ADVANCES DUE FROM NAGC

As at 30 September 2006, prepaid rental advances amounted to approximately S\$7,055,000 (equivalent to approximately HK\$34,926,000) (as at 30 June 2006: S\$6,941,000; equivalent to approximately HK\$33,694,000). The details of the nature of the transactions as already reported in the director’s report in the annual report for the year ended 31 December 2005.

GUARANTEES TO ZHONG BAO GROUP

Guarantees in the amount of approximately S\$19,800,000 (equivalent to approximately HK\$98,020,000) (as at 30 June 2006: S\$19,600,000; equivalent to approximately HK\$96,552,000) were provided to a bank in respect of banking facilities granted to Zhong Bao Group. The guarantees were for the bank facilities granted for the use in car trade business of Zhong Bao Group. The amount of guarantees to Zhong Bao Group represents 23.4% of the unaudited total assets of the Group as at 30 September 2006.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 30 September 2006, the Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors.

CORPORATE GOVERNANCE

The Company has complied with the standards and requirements concerning board practices and procedures of the Board as set out in Rules 5.34 of the GEM Listing Rules. The Board also considers that the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules. 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 2005.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules on 5 June 2002. The audit committee comprises three independent non-executive Directors, namely Mr. Yin Bin, Mr. Zhang Lei and Mr. Lee Kwok Yung. The duties of the audit committee include reviewing the Company's annual reports and accounts, half-year reports and quarterly reports and providing advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the Company's financial reporting and internal control procedures. The audit committee has received the financial results for the nine months ended 30 September 2006 and provided comments.

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 nine months ended 30 September 2006.

DIRECTORS OF THE COMPANY

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

By Order of the Board
G.A. Holdings Limited
Loh Nee Peng
Managing Director

Hong Kong, 14 November 2006

This announcement will remain on the “Latest Company Announcements” page on the GEM website at www.hkgem.com for at least 7 days from the date of its posting.