

First Quarterly Report **2008**

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)



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 which 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. Listed companies 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 report, 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 report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on basis and assumptions that are fair and reasonable.

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 2008.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2008

		(Unaudited)	
		three months ended	
		31 March	
		2008	2007
	Notes	S\$'000	S\$'000
Turnover	2	10,823	9,688
Other income	2	<u>599</u>	<u>644</u>
		11,422	10,332
Cost of sales		(8,906)	(7,645)
Employee benefit expenses		(565)	(435)
Depreciation and amortisation		(355)	(355)
Operating lease charges		(85)	(82)
Exchange differences, net		102	29
Other operating expenses		<u>(575)</u>	<u>(521)</u>
Profit from operating activities		1,038	1,323
Finance costs, net		<u>(814)</u>	<u>(712)</u>
Profit before income tax		224	611
Income tax expenses	3	<u>(115)</u>	<u>(30)</u>
Profit for the period		<u>109</u>	<u>581</u>
Attributed to:			
Equity holders of the Company		110	582
Minority interests		<u>(1)</u>	<u>(1)</u>
Profit for the period		<u>109</u>	<u>581</u>
Earnings per share - Basic (cents)	4	<u>0.027</u>	<u>0.15</u>

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended 31 March 2008 and 2007

	Issued capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Translation reserve S\$'000	Retained profits S\$'000	Total S\$'000	Minority interests S\$'000	Total equity S\$'000
As at 1 January 2007	9,040	4,006	1,689	(2,215)	17,324	29,844	352	30,196
Net losses not recognized in income statement								
Translation difference	-	-	-	(33)	-	(33)	1	(32)
Profit/(loss) for the period	-	-	-	-	582	582	(1)	581
Total recognized Income/expenses	-	-	-	(33)	582	549	-	549
As at 31 March 2007	<u>9,040</u>	<u>4,006</u>	<u>1,689</u>	<u>(2,248)</u>	<u>17,906</u>	<u>30,393</u>	<u>352</u>	<u>30,745</u>
As at 1 January 2008	9,040	4,006	1,689	(3,612)	19,924	31,047	346	31,393
Net losses not recognized in income statement								
Translation difference	-	-	-	(16)	-	(16)	-	(16)
Profit/(loss) for the period	-	-	-	-	110	110	(1)	109
Total recognized Income/expenses	-	-	-	(16)	110	94	(1)	93
As at 31 March 2008	<u>9,040</u>	<u>4,006</u>	<u>1,689</u>	<u>(3,628)</u>	<u>20,034</u>	<u>31,141</u>	<u>345</u>	<u>31,486</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 results 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 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 2007.

2. Turnover

Turnover recognised by category is as follows:

	(Unaudited) three months ended 31 March	
	2008	2007
	S\$'000	S\$'000
Sales of motor vehicles	6,601	5,779
Servicing of motor vehicles and sales of auto parts	3,740	3,104
Technical fee income	482	805
	10,823	9,688

Other income

	(Unaudited) three months ended 31 March	
	2008	2007
	S\$'000	S\$'000
Rental income	514	601
Other income	85	43
	599	644

3. Income tax expenses

The charge comprises:

	(Unaudited)	
	three months ended	
	31 March	
	2008	2007
	S\$'000	S\$'000
Hong Kong profits tax	67	23
Overseas taxation	48	7
	<u>115</u>	<u>30</u>

Hong Kong profit tax has been provided at the rate of 17.5% on the estimated assessable profit of the Hong Kong subsidiary for the three months ended 31 March 2008 and 2007.

Taxation on overseas profits has been calculated on the estimated assessable profit for the three months ended 31 March 2008 and 2007 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 three months ended 31 March 2008 based on existing legislation, interpretations and practices in respect thereof.

No PRC enterprise income tax has been provided for the PRC subsidiaries as they incurred losses for taxation purposes during the three months ended 31 March 2007.

4. Earnings per share

The calculation of basic earnings per share for the three months ended 31 March 2008 was based on the unaudited consolidated profit attributable to shareholders of approximately S\$110,000 (2007: S\$582,000) and on the 400,000,000 (2007: 400,000,000) ordinary shares in issue during the period.

Diluted earnings per share was not presented as there were no dilutive potential ordinary shares in existence during the three months ended 31 March 2008 and 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the three months ended 31 March 2008, a seasonal decline of sales was recorded. Profit attributable to shareholders recorded a decrease of 81.1%, while gross profit margin for the Group stays at 17.7%. The Group manages its best endeavor to ensure that our expansion plan are on due pace by maintaining our focus on more profitable area. The decrease in net profit was, however, a result of increase in cost of sales of the car distribution sector and general inflation in staff and cost when compared to the corresponding period last year.

1. Sales of motor vehicles

For the three months ended 31 March 2008, the turnover generated from sales of motor vehicles was approximately S\$6,601,000; representing a increase of approximately 14.2% as compared to the corresponding period in 2007. The increase was mainly due to the demand of deluxe import vehicles even the general inflation in China is soaring high. The sales of motor vehicles maintains at 61.0% of the total turnover.

2. Servicing of motor vehicles and sales of auto parts

For the three months ended 31 March 2008, the turnover generated from servicing of motor vehicles and sales of auto parts increased by approximately 20.5% to approximately S\$3,740,000 as compared to the corresponding period in 2007. The services on revenue echoes with the services on our car sales previously as auto parts and servicing are essential complements to the hiking demand of luxurious vehicles.

3. Technical fee income

Technical fee income for the three months ended 31 March 2008 was approximately S\$482,000, decreased by approximately 40.1% compared to the corresponding period in 2007 as a result of the decline in car sales at beginning of year when the market is expecting a more vigorous market control policy will be taken out in China.

4. Car rental business

The operation of car rental business in Hong Kong has been expanded steadily. In addition to the establishing extra service location, the Group acquired more cars and employed more staff to provide services of higher quality to car rental customers. Increased fleet size and diversified marketing strategies sparks an extensive approach to reach out different targeted customer segments thereby increases sales. The Group will expand its base of operations by exploring new business activities in Macau.

FINANCIAL REVIEW

Turnover

The unaudited consolidated turnover for the three months ended 31 March 2008 increased to approximately S\$10,823,000 from approximately S\$9,688,000 for the corresponding period in 2007. This represented an increase of approximately 11.7%. The increase was mainly contributed by the increase in sales of motor vehicles. The sales of motor vehicles represented approximately 61.0% of the Group's turnover.

Gross profit

The gross profit for the three months ended 31 March 2008 was approximately S\$1,917,000, a decrease of approximately 6.2% as compared to the corresponding period in 2007. The increase in gross profit was due to increase in cost of auto parts as well as other cost of sales. The gross profit margin was approximately 17.7% for the three months ended 31 March 2008, down 3.4% of the corresponding period in 2007.

Exchange gain

For the three months ended 31 March 2008, the exchange gain was approximately S\$102,000, an increase of approximately 251.7% as compared to the corresponding period in 2007. The exchange gain was mainly due to the appreciation of RMB against other currencies, as the Group's main operation was conducted in RMB.

Other operating expenses

For the three months ended 31 March 2008, other operating expenses were approximately S\$575,000 representing an increase of approximately 10.4% as compared to the corresponding period in 2007, being in proportion to the general inflation in costs in Hong Kong and China.

Profit attributable to shareholders

The profit attributable to shareholders for the three months ended 31 March 2008 was approximately S\$110,000, representing a decrease of approximately 81.1% compared to the corresponding period in 2007. The decrease is due to seasonal decline in sales at the beginning of the year while the employee cost surged up significantly this year.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2008 (*three months ended 31 March 2007: Nil*).

PROSPECTS

As discussed in the Annual Report of the Group for the year ended 31 December 2007, the inflationary pressure is going to hinder the demand of luxurious goods. In early May, the International Monetary Fund has adjusted its forecast for the global economic growth in 2008 downward to below 4%, with a growth of just above 9% for the Chinese economy. The inflation pressures across the world economics were raising concerns. Not only has the inflation increased the cost of sales, but also rips out the profit margin of automobile sellers. The Group has been reviewing its operation cost and implements stringent cost control measures as appropriate, such as relocating its Hong Kong office to Causeway Bay in early April this year to enhance its operating and cost efficiency.

Through the good networks and relationships with its business partners, the Group is focusing its core business in full range customer services and to seek the opportunities to enter into the primary provinces as well as smaller towns in China through mergers and acquisitions.

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

As at 31 March 2008, 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				Other Interests	Total	Approximate percentage of shareholding
		Personal Interest	Family Interest	Corporate Interest				
Loh Nee Peng	Interest of a controlled corporation	-	-	100,149,480 (Note 1)	-	100,149,480	25.04%	
Loh Boon Cha	Deemed interest	-	54,865,480 (Note 2)	45,284,000 (Note 2)	-	100,149,480	25.04%	

Notes:

1. The 100,149,480 shares 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 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 2008, 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 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 2008, 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 (Note 1)	45,284,000	11.32%
Loh Kim Her	Interest of a controlled corporation (Note 2)	53,284,000	13.32%
Fang Zhun Chun	Beneficial owner	57,892,000	14.47%
Chan Hing Ka Anthony	Interest of a controlled corporation (Note 3)	94,765,925	23.69%

Notes:

- 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.
- 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 94,765,925 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. 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 2008, 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' 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 2008, 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 2008, 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 individually exceed 3% under the assets ratio as defined under Rule 19.07(i) of the GEM Listing Rules (the "Assets Ratio"). As at 31 March 2008, the Company's total assets were approximately S\$76,757,000.

	(Unaudited)		Assets Ratio (%)	(Audited)		Increment as compared to Assets Ratio (%)
	31 March 2008			31 December 2007		
	S\$'000	HK\$'000		S\$'000	HK\$'000	
NAGC Group:						
Prepaid rental expenses	6,864	38,133	8.9%	6,864	36,903	N/A
Advances to NAGC	6,278	34,878	8.2%	7,563	40,661	N/A
Guarantee to NAGC	3,914	21,744	5.1%	4,052	21,785	N/A
	<u>17,056</u>	<u>94,755</u>	22.2%	<u>18,479</u>	<u>99,349</u>	
Zhong Bao Group*:						
Advances to Zhong Bao Group	23,383	129,905	30.5%	37,352	200,817	N/A
Guarantee to Zhong Bao Group	23,940	133,000	31.2%	24,696	132,774	N/A
	<u>47,323</u>	<u>262,905</u>	61.7%	<u>62,048</u>	<u>333,591</u>	
	<u>64,379</u>	<u>357,660</u>	83.9%	<u>80,527</u>	<u>432,940</u>	

* Being Xiamen Zhong Bao and certain of its subsidiaries and related companies ("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 S\$64,379,000 (equivalent to approximately HK\$357,660,000) as at 31 March 2008 (as at 31 December 2007: S\$80,527,000; equivalent to approximately HK\$432,940,000), representing 83.9% 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 March 2008 are announced as follows:

Prepaid rental Expenses due from NAGC

As at 31 March 2008, prepaid rental expenses of the amount of approximately S\$6,864,000 (equivalent to approximately HK\$38,133,000) (*as at 31 December 2007: S\$6,864,000; equivalent to approximately HK\$36,903,000*) 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 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 5 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.

Advances to NAGC

Approximately S\$6,278,000 (equivalent to approximately HK\$34,878,000) (as at 31 December 2007: S\$7,563,000; equivalent to approximately HK\$40,661,000) were advanced to NAGC Group, representing 8.2% of the Group’s Asset’s 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 August 2008.

Guarantee to NAGC

Guarantee in the amount of approximately S\$3,914,000 (equivalent to approximately HK\$21,744,000) (as at 31 December 2007: S\$4,052,000; equivalent to approximately HK\$21,785,000) were provided to a bank in respect of banking facilities granted to NAGC Group. The guarantees 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 March 2008 are announced as follows:

Advances to Zhong Bao Group

As at 31 March 2008, advances of approximately S\$23,383,000 (equivalent to approximately HK\$129,905,000) (as at 31 December 2007: S\$37,352,000; equivalent to approximately HK\$200,817,000) were advanced to Zhong Bao Group, representing 30.5% 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. The remaining 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 August 2008.

Guarantee to Zhong Bao Group

Guarantee in the amount of approximately S\$23,940,000 (equivalent to approximately HK\$133,000,000) (as at 31 December 2007: S\$24,696,000; equivalent to approximately HK\$132,774,000) were provided to a bank in respect of banking facilities granted to Zhong Bao Group. The guarantee 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 2008, 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.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rule 5.30 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 includes reviewing the Company's annual reports and accounts, half-year reports and quarterly reports and providing advices 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.

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 2008.

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 2008.

DIRECTORS OF THE COMPANY

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

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

Hong Kong, 14 May 2008

