



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 2021

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of G.A. Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and 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 consolidated financial results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2021 together with the comparative figures for the year ended 31 December 2020 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Revenue	4	2,588,968	2,264,306
Other income	6	<u>50,736</u>	<u>45,323</u>
		2,639,704	2,309,629
Changes in inventories	8.1	21,177	(51,413)
Auto parts and accessories, and motor vehicles purchased	8.1	(2,248,990)	(1,907,182)
Employee benefit expenses		(132,365)	(105,709)
Depreciation and amortisation		(61,062)	(59,625)
Lease charges		(6,075)	(4,795)
Exchange differences, net		(1,518)	896
ECL allowance on trade and other receivables	8.3	(3,860)	(8,367)
Other expenses	7	<u>(82,013)</u>	<u>(59,373)</u>
Profit from operations		124,998	114,061
Finance costs	8.2	<u>(34,665)</u>	<u>(34,508)</u>
Profit before income tax	8	90,333	79,553
Income tax expense	9	<u>(24,900)</u>	<u>(26,742)</u>
Profit for the year		<u>65,433</u>	<u>52,811</u>

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Equity investments at FVOCI – net movement in fair value reserves (non-recycling)		2,008	2,502
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Exchange gain on translation of financial statements of foreign operations		<u>23,739</u>	<u>48,078</u>
Other comprehensive income for the year, net of tax		<u>25,747</u>	<u>50,580</u>
Total comprehensive income for the year		<u>91,180</u>	<u>103,391</u>
Profit for the year attributable to:			
Owners of the Company		<u>65,433</u>	<u>52,811</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		<u>91,180</u>	<u>103,391</u>
		HK cents	HK cents
Earnings per share			
Basic and diluted	<i>10</i>	<u>13.74</u>	<u>11.09</u>

Consolidated Statement of Financial Position

as at 31 December 2021

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		209,647	211,941
Intangible asset		12,230	14,256
Prepaid expenses		12,844	13,041
Right-of-use assets		225,899	241,815
Goodwill		6,902	6,705
Financial asset at fair value through other comprehensive income		13,418	11,056
Deposits for acquisition of property, plant and equipment		17,059	–
		497,999	498,814
Current assets			
Inventories		166,979	145,802
Trade receivables	<i>12</i>	118,702	165,864
Prepayments, deposits and other receivables		940,787	779,969
Tax recoverable		590	1,660
Pledged deposits		135,066	134,301
Cash and bank balances		102,804	40,405
		1,464,928	1,268,001
Current liabilities			
Trade payables	<i>13</i>	53,452	57,774
Lease liabilities		12,782	14,418
Contract liabilities		117,832	100,513
Accruals and other payables		56,832	47,822
Bills payables	<i>13</i>	170,083	137,826
Borrowings		569,153	510,671
Advance from a director		2,750	2,140
Tax payable		12,810	16,198
		995,694	887,362

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Net current assets	<u>469,234</u>	<u>380,639</u>
Total assets less current liabilities	<u>967,233</u>	<u>879,453</u>
Non-current liabilities		
Borrowings	4,815	4,489
Lease liabilities	131,355	133,783
Deferred tax liabilities	<u>15,251</u>	<u>16,549</u>
	<u>151,421</u>	<u>154,821</u>
Net assets	<u><u>815,812</u></u>	<u><u>724,632</u></u>
EQUITY		
Equity attributable to owners of the Company		
Share capital	47,630	47,630
Reserves	<u>768,182</u>	<u>677,002</u>
Total equity	<u><u>815,812</u></u>	<u><u>724,632</u></u>

Notes:

1. GENERAL INFORMATION

G.A. Holdings Limited 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 1007, Level 10, Tower I, Grand Century Place, 193 Prince Edward Road West, Mongkok, Kowloon, Hong Kong. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries are principally engaged in the sales of motor vehicles and provision of car-related technical services, servicing of motor vehicles, sales of auto parts and provision of car rental services.

2. ADOPTION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

2.1 Amended HKFRSs that are effective for annual periods beginning on 1 January 2021

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2021:

Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
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In addition, on 1 January 2021, the Group has early applied the Amendment to HKFRS 16 “Covid-19-Related Rent Concessions beyond 30 June 2021” which is mandatorily effective for the Group for financial year beginning on or after 1 April 2021.

The adoption of the amended HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 “Interest Rate Benchmark Reform – Phase 2” (“Phase 2 Amendments”)

The Phase 2 Amendments provide practical relief from certain requirements in HKFRSs. These reliefs relate to modifications of financial assets and financial liabilities (measured at amortised costs) and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark risk-free rate.

The Group initially applied Phase 2 Amendments on 1 January 2021 and applied the amendments retrospectively. However, in accordance with the exceptions permitted in Phase 2 Amendments, the Group has elected not to restate the prior period to reflect the application of these amendments, including not providing additional disclosures for 2020. There is no impact on opening equity balances as a result of retrospective application.

Impact on measurement of financial assets and financial liabilities

For changes in the basis for determining the contractual cash flows of financial assets and financial liabilities which are measured at amortised cost as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes such that it will not derecognise the carrying amounts of financial assets and financial liabilities and recognise an immediate gain or loss for changes solely arose from the interest rate benchmark reform, but will instead revise the effective interest rates of the financial assets and financial liabilities. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- The change is necessary as a direct consequence of the interest rate benchmark reform; and
- The new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately before the change).

For other changes made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient to the changes required by interest rate benchmark reform by updating the effective interest rate. The Group then applies the applicable requirements in HKFRS 9 on modification of a financial asset or a financial liability to the additional changes to which the practical expedient does not apply.

2.2 Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts and related amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018-2020 ¹
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination ⁴

1 Effective for annual periods beginning on or after 1 January 2022

2 Effective for annual periods beginning on or after 1 January 2023

3 Effective date not yet determined

4 Effective for business combinations/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide further guidance to clarify how to classify debt and other liabilities as current or non-current which are summarised as follows:

- It clarifies that a liability is non-current if an entity have a right (instead of unconditional right as stated before the amendments) to defer settlement of the liability for at least twelve months from the end of the reporting period. This right has to be existed at the end of the reporting period, regardless of whether the lender tests for compliance at that date or at a later date;
- Any expectations about events after the reporting period do not impact the assessment made at the end of the reporting period as to the classification of the liability; and
- “Settlements” are newly defined as a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of cash, other economic resources (e.g. goods or services), or entity’s own equity instruments. Thus, if the counterparty conversion option is classified as liability under HKAS 32, the transfer of equity instruments by exercising the conversion option constitute settlement of liability for the purpose of current or non-current classification of liabilities. One exception to the definition is that if the counterparty conversion option is classified as equity in accordance with HKAS 32, the transfer of equity instruments by exercising the conversion option does not constitute settlement of liability and would be disregarded when determining whether the liabilities is current or non-current.

Amendments to HKAS 1 is effective for annual reporting period beginning on or after 1 January 2023 and apply retrospectively. Earlier application is permitted. The directors of the Group expect that the amendments have no material impact on these consolidated financial statements.

Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments clarify that the initial recognition exemption of deferred tax in HKAS 12 “Income Taxes” does not apply to transactions that give rise to equal taxable and deductible temporary differences, such as lease contracts that give rise to the recognition of a lease liability and the corresponding right-of-use assets and contracts that give rise to the recognition of decommissioning obligations and corresponding amounts recognised as assets. Instead, entities are required to recognise the related deferred tax asset and liability on initial recognition, with the recognition of any deferred tax asset being subject to the recoverability criteria in HKAS 12 “Income Taxes”.

The amendments are effective for annual reporting period beginning on or after 1 January 2023. Earlier application is permitted. The Group has commenced an assessment of the impact of the amendments, but not yet in a position to state whether they would have a significant impact on its results and financial position.

Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”

The amendments to HKAS 1 require entities to disclose material accounting policy information instead of significant accounting policies in its financial statements. The amendments also provide some guidance on how material policy information are being identified and provide some examples of when accounting policy information is likely to be material.

In March 2021, HKICPA issued HKFRS Practice Statement 2 “Making Materiality Judgements” to provide entities with non-mandatory guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with HKFRS. HKFRS Practice Statement 2 was subsequently revised to provide guidance and examples on how to apply the concept of materiality to accounting policy disclosures.

The amendments to HKAS 1 are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. Except for the disclosures of accounting policies set out in the consolidated financial statements may need to be revised to cope with the above changes, the directors expect that the amendments have no other material impact on the consolidated financial statements.

Amendments to HKAS 8 “Definition of Accounting Estimates”

The amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates by introducing a definition for accounting estimates, which is now defined as “monetary amounts in the financial statements that are subject to measurement uncertainty”.

Besides, the amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates typically involve the use of judgements or assumptions based on latest available reliable information. A change in accounting estimate that results from new information or new development is not correction of an error. Therefore, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. In addition, two illustrative examples are added to illustrate how to apply the new definition of accounting estimates.

The amendments are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. The directors expect that the amendments have no material impact on the consolidated financial statements.

3. BASIS OF PREPARATION

These annual consolidated financial statements have been prepared in accordance with HKFRSs which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the HKICPA and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the GEM Listing Rules.

The consolidated financial statements have been prepared under the historical cost basis except for financial asset at fair value through other comprehensive income (“FVOCI”) which is stated at fair value.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

4. REVENUE

The amount of each significant category of revenue recognised during the year is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Sales of motor vehicles	1,891,045	1,619,354
Servicing of motor vehicles and sales of auto parts	659,705	604,571
Technical fee income	10,222	8,962
Car rental income	27,996	31,419
Revenue from contracts with customers	<u>2,588,968</u>	<u>2,264,306</u>

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major types of goods and services provided and geographical market:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Types of goods and services		
Sales of motor vehicles	1,891,045	1,619,354
Servicing of motor vehicles and sales of auto parts	659,705	604,571
Technical service	10,222	8,962
Car rental income	27,996	31,419
Total	<u>2,588,968</u>	<u>2,264,306</u>

Timing of revenue recognition

At a point in time	2,560,972	2,232,887
Over-time	27,996	31,419
Total	<u>2,588,968</u>	<u>2,264,306</u>

Geographical markets

PRC	2,560,972	2,232,887
Hong Kong	27,996	31,419
Total	<u>2,588,968</u>	<u>2,264,306</u>

Type of customers

Corporate	461,822	426,012
Individuals	2,127,146	1,838,294
Total	<u>2,588,968</u>	<u>2,264,306</u>

5. SEGMENT INFORMATION

The executive directors of the Company, being the chief operating decision makers, have identified two reportable segments as further described below.

The Group identifies reportable segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined based on the Group's major product and service lines.

The Group has identified the following reportable segments:

- Motor vehicle sales and services business – primarily consists of the operations of (i) motor vehicle distribution and dealership business, which includes sales of motor vehicles and provision of after-sales services; and (ii) other motor vehicle related business, which includes operations of motor vehicle service shops, sales of auto parts, provision of car-related technical services and other value-added motor vehicle services; and
- Car rental business

Each of these reportable segments is managed separately as each of the product and service line requires different resources as well as marketing approaches.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs, except for the income tax and corporate income and expenses including certain finance costs which are not directly attributable to the business activities of any reportable segment and they are not included in arriving at the operating results of the reportable segment.

Segment assets exclude corporate assets that are not directly attributable to business activities of any reportable segment, which primarily applies to the Group's headquarters.

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

No asymmetrical allocations have been applied to reportable segments.

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

(a) Segment revenue, segment results and other segment information

	2021		
	Motor vehicle sales and services business <i>HK\$'000</i>	Car rental business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue	<u>2,560,972</u>	<u>27,996</u>	<u>2,588,968</u>
Reportable segment profit	<u>92,680</u>	<u>3,681</u>	<u>96,361</u>
Other information			
Depreciation and amortisation of non-current assets	(42,874)	(15,145)	(58,019)
Gain on disposal of property, plant and equipment	3,849	1,486	5,335
Gain on disposal of right-of-use assets	–	1,841	1,841
Reversal of ECL allowance on trade receivables	266	–	266
ECL allowance on other receivables	(4,126)	–	(4,126)
Additions to non-current assets (other than financial instruments) during the year	<u>61,831</u>	<u>6,130</u>	<u>67,961</u>
	2020		
	Motor vehicle sales and services business <i>HK\$'000</i>	Car rental business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue	<u>2,232,887</u>	<u>31,419</u>	<u>2,264,306</u>
Reportable segment profit	<u>86,721</u>	<u>5,982</u>	<u>92,703</u>
Other information			
Depreciation and amortisation of non-current assets	(40,171)	(16,737)	(56,908)
Gain on disposal of property, plant and equipment	3,234	1,742	4,976
Gain on disposal of right-of-use assets	97	320	417
Gain on termination of leases	612	–	612
ECL allowance on trade receivables	(1,787)	–	(1,787)
ECL allowance on other receivables	(6,580)	–	(6,580)
Additions to non-current assets (other than financial instruments) during the year	<u>49,197</u>	<u>6,543</u>	<u>55,740</u>

(b) Segment assets and liabilities

	2021		
	Motor vehicle sales and services business <i>HK\$'000</i>	Car rental business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	<u>1,671,027</u>	<u>35,056</u>	<u>1,706,083</u>
Reportable segment liabilities	<u>1,055,584</u>	<u>9,437</u>	<u>1,065,021</u>
	2020		
	Motor vehicle sales and services business <i>HK\$'000</i>	Car rental business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	<u>1,532,600</u>	<u>45,799</u>	<u>1,578,399</u>
Reportable segment liabilities	<u>934,038</u>	<u>13,702</u>	<u>947,740</u>

(c) **Reconciliation of segment information to the Group's key financial figures as presented in the consolidated financial statements:**

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Reportable segment revenue	<u>2,588,968</u>	<u>2,264,306</u>
Reportable segment profit	96,361	92,703
Unallocated corporate income	9,814	3,320
Unallocated corporate expenses		
Depreciation and amortisation of non-current assets	(3,043)	(2,717)
Employee benefit expenses	(5,933)	(6,096)
Others	(5,301)	(4,927)
Unallocated finance costs	<u>(1,565)</u>	<u>(2,730)</u>
Profit before income tax	<u>90,333</u>	<u>79,553</u>
Reportable segment assets	1,706,083	1,578,399
Non-current corporate assets (note (i))	15,388	11,348
Current corporate assets (note (ii))	<u>241,456</u>	<u>177,068</u>
Consolidated total assets	<u>1,962,927</u>	<u>1,766,815</u>
Reportable segment liabilities	1,065,021	947,740
Non-current corporate liabilities (note (iii))	16,706	16,549
Current corporate liabilities (note (iv))	<u>65,388</u>	<u>77,894</u>
Consolidated total liabilities	<u>1,147,115</u>	<u>1,042,183</u>

Notes:

- (i) Non-current corporate assets mainly include certain property, plant and equipment, certain right-of-use assets, and financial asset at FVOCI that are not directly attributable to the business activities of the reportable segments.
- (ii) Current corporate assets mainly include certain prepayments, deposits and other receivables, tax recoverable, cash and bank balances and pledged deposits that are not directly attributable to the business activities of the reportable segments or that are managed on group basis.
- (iii) Non-current corporate liabilities include deferred tax liabilities and certain lease liabilities that are not directly attributable to the business activities of the reportable segments.
- (iv) Current corporate liabilities include certain accruals and other payables, certain borrowings, certain lease liabilities, advance from a director, and tax payables that are not directly attributable to the business activities of the reportable segments or that are managed on group basis.

(d) **Geographical segments**

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

	Revenue from external customers		Non-current assets (other than financial instruments)	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Singapore	–	–	1,336	1,629
PRC	2,560,972	2,232,887	450,699	445,232
Hong Kong	27,996	31,419	32,546	40,897
	<u>2,588,968</u>	<u>2,264,306</u>	<u>484,581</u>	<u>487,758</u>

The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the non-current assets is based on the physical location of the assets or the location of operations.

For the years ended 31 December 2021 and 2020, no revenue from a single customer accounted for 10% or more of the Group's revenue.

6. **OTHER INCOME**

	2021 HK\$'000	2020 HK\$'000
Bank interest income	1,589	1,315
Commission income	4,118	10,222
Consultant service income	30,055	18,640
Financial guarantee income	1,865	224
Gain on disposal of property, plant and equipment	5,335	4,976
Gain on disposal of right-of-use assets	1,841	417
Gain on termination of leases	–	612
Government grants	1,194	4,495
Sundry income	4,739	4,422
	<u>50,736</u>	<u>45,323</u>

7. OTHER EXPENSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Advertising and promotion expenses	8,083	2,986
Auditor's remuneration	1,485	1,044
Bank charges	2,713	4,460
Entertainment expenses	4,868	3,825
Financial guarantee expenses	3,868	–
Insurance expenses	1,904	1,924
IT service fees	3,389	2,396
Legal and professional fees	3,658	3,831
Miscellaneous expenses	5,521	3,510
Motor vehicles expenses	8,582	7,655
Office expenses	9,208	6,568
Repairs and maintenance expenses	3,491	1,520
Taxes and levies*	11,019	14,187
Transportation and travelling expenses	3,214	1,872
Utilities	4,393	3,595
Written-off of property, plant and equipment	<u>6,617</u>	<u>–</u>
	<u>82,013</u>	<u>59,373</u>

* Taxes and levies mainly represents the indirect taxes arising from sales and other operating activity of the Group.

8. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after (crediting)/charging:

8.1 Cost of inventories

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Changes in inventories		
Motor vehicles	(21,285)	39,373
Auto parts and accessories	<u>108</u>	<u>12,040</u>
	<u>(21,177)</u>	<u>51,413</u>
Auto parts and accessories, and motor vehicles purchased		
Motor vehicles	1,881,089	1,644,408
Auto parts and accessories	<u>367,901</u>	<u>262,774</u>
	<u>2,248,990</u>	<u>1,907,182</u>
	<u><u>2,227,813</u></u>	<u><u>1,958,595</u></u>

8.2 Finance costs

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest charges on bank and other borrowings	26,585	27,252
Finance charges on lease liabilities	<u>8,080</u>	<u>7,256</u>
	<u><u>34,665</u></u>	<u><u>34,508</u></u>

8.3 Other items

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Auditor's remuneration	1,485	1,044
Lease charges:		
Short term leases and lease term shorter than 12 months	6,037	4,785
Leases of low value items	<u>38</u>	<u>10</u>
Total lease charges	<u>6,075</u>	<u>4,795</u>
Depreciation of property, plant and equipment:		
Owned assets	30,103	29,706
Right-of-use assets	<u>28,547</u>	<u>27,667</u>
Total depreciation	<u>58,650</u>	<u>57,373</u>
Gain on termination of leases	–	(612)
Gain on disposal of property, plant and equipment	(5,335)	(4,976)
Gain on disposal of right-of-use assets	(1,841)	(417)
Amortisation of an intangible asset	2,412	2,252
Written-off of property, plant and equipment	6,617	–
Financial guarantee expenses	3,868	–
(Reversal of)/ECL allowance on trade receivables	(266)	1,787
ECL allowance on other receivables	<u>4,126</u>	<u>6,580</u>

9. INCOME TAX EXPENSE

The provision for Hong Kong Profits Tax for the year ended 31 December 2021 is calculated at 16.5% (2020: 16.5%) of the estimated assessable profits for the year. Hong Kong Profits Tax has not been provided as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the year. For the year ended 31 December 2021 and 2020, one subsidiary of the Group is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2 million are taxed at 16.5%.

Hong Kong Profits Tax has not been provided as the assessable profits for both periods are wholly absorbed by unrelieved tax losses brought forward from previous years.

Taxation on overseas profits has been calculated on the estimated assessable profits 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% (2020: 25%).

Dividend distribution out of the retained profits of foreign-invested enterprises in the PRC earned after 1 January 2008 is subject to withholding income tax at a tax rate of 10% (2020: 10%) unless reduced by treaty. Under the tax treaty between Singapore and the Mainland China, the withholding income tax rate applicable to the Group is 5% (2020: 5%).

Income tax in respect of operations in Singapore has not been provided for the years ended 31 December 2021 and 2020 as the Company's Singapore subsidiary has no assessable profits for the years.

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax – Overseas		
Charge for the year	<u>26,505</u>	<u>27,689</u>
Current tax – total	26,505	27,689
Deferred tax	<u>(1,605)</u>	<u>(947)</u>
Total income tax expense	<u>24,900</u>	<u>26,742</u>

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on profit attributable to the owners of the Company for the year of approximately HK\$65,433,000 (2020: HK\$52,811,000) and on the weighted average number of 476,300,000 (2020: 476,300,000) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 31 December 2021 and 2020 are the same as the basic earnings per share as there was no dilutive potential ordinary share for the years ended 31 December 2021 and 2020.

11. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2021 (2020: nil).

12. TRADE RECEIVABLES

At the end of the reporting period, the ageing analysis of trade receivables, based on invoice date, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 – 90 days	90,264	147,719
91 – 180 days	16,753	21,406
181 – 365 days	14,827	966
Over 1 year	<u>2,164</u>	<u>1,345</u>
	124,008	171,436
Less: ECL allowance	<u>(5,306)</u>	<u>(5,572)</u>
	<u>118,702</u>	<u>165,864</u>

The Group requires individual customers to pay cash for any service rendered and goods sold while it generally allows a credit period of 3 to 9 months to its major customers with long business relationship.

13. TRADE AND BILLS PAYABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	53,452	57,774
Bills payables	<u>170,083</u>	<u>137,826</u>
	<u>223,535</u>	<u>195,600</u>

The credit period of the Group is usually 3 to 6 months. The ageing analysis of trade and bills payables, based on invoice date and issuance date of bill, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 – 30 days	51,518	45,792
31 – 180 days	141,561	136,213
181 – 365 days	25,533	5,981
1 – 2 years	2,369	1,899
Over 2 years	<u>2,554</u>	<u>5,715</u>
	<u>223,535</u>	<u>195,600</u>

The carrying amounts of trade and bills payables as at 31 December 2021 and 2020 were considered to be a reasonable approximation of their fair values.

BUSINESS REVIEW

During the year ended 31 December 2021, the PRC economy gradually recovers from the impact of COVID-19, the overall automobiles market is showing a rebound trend. However, during the third and fourth quarter of 2021, the growth in the car sales market was dampened amid the semiconductor shortage that is affecting automotive production worldwide.

FINANCIAL REVIEW

During the year ended 31 December 2021, the consolidated revenue increased by 14.3% from HK\$2,264,306,000 for the year ended 31 December 2020 to HK\$2,588,968,000 for the year ended 31 December 2021. The profit for the year ended 31 December 2021 was HK\$65,433,000, representing a 23.9% increase compared to HK\$52,811,000 for the year ended 31 December 2020. The increase in the revenue and profit from operations was mainly due to a general recovery of the automobiles market, and a shortage in supply during the second half of the year that helped to maintain better price and margin.

Sales of Motor Vehicles

Sales of motor vehicles increased by 16.8% from HK\$1,619,354,000 for the year ended 31 December 2020 to HK\$1,891,045,000 for the year ended 31 December 2021 mainly due to stronger pricing.

Servicing of Motor Vehicles and Sales of Auto Parts

Revenue generated from servicing of motor vehicles and sales of auto parts increased by 9.1% from HK\$604,571,000 for the year ended 31 December 2020 to HK\$659,705,000 for the year ended 31 December 2021 mainly due to recovery of the automobiles market.

Technical Fee Income

The Group received technical fee income from Xiamen Zhong Bao Automobiles Co., Ltd.[#] (“Xiamen Zhong Bao”) for providing management consulting and technical assistance in relation to the PRC locally assembled BMW motor vehicles sold by Xiamen Zhong Bao.

Technical fee income for the year ended 31 December 2021 was HK\$10,222,000, representing an increase of 14.1% compared to the year ended 31 December 2020 since there was an increase in the number of PRC locally assembled BMW motor vehicles sold by Xiamen Zhong Bao.

Car Rental Business

The income from car rental business in Hong Kong for the year ended 31 December 2021 was HK\$27,996,000, representing a decrease of 10.9% compared to the year ended 31 December 2020. This was mainly due to a decrease in long-term customers amidst general business uncertainties resulting from the COVID-19 pandemic.

Gross Operating Profit and Gross Operating Margin

Gross operating profit is calculated based on revenue for the year minus changes in inventories and auto parts and accessories, and motor vehicles purchased during the year. Gross operating margin is calculated based on the gross operating profit for the year divided by revenue for the year multiplied by 100%.

The gross operating profit for the year ended 31 December 2021 increased by 18.1% to HK\$361,155,000, as compared to HK\$305,711,000 for the year ended 31 December 2020.

The gross operating margin increased slightly from 13.5% for the year ended 31 December 2020 to 13.9% for the year ended 31 December 2021 as the average gross operating margin on car sales increased.

Other Income

Other income increased by 11.9% from HK\$45,323,000 for the year ended 31 December 2020 to HK\$50,736,000 for the year ended 31 December 2021 mainly due to an increase in consultant service income resulting from an increase in sales of motor vehicles offset by a decrease in commission income during the year.

Employee Benefit Expenses

The Group recorded employee benefit expenses of HK\$132,365,000 for the year ended 31 December 2021, representing a 25.2% increase as compared to HK\$105,709,000 for the year ended 31 December 2020. The increase was mainly due to an increase in staff expense in view of improved gross operating profit and increase in average number of staff during the year.

Depreciation and Amortisation

Depreciation and amortisation expenses increased slightly by 2.4% from HK\$59,625,000 for the year ended 31 December 2020 to HK\$61,062,000 for the year ended 31 December 2021.

Foreign Exchange Exposure

For the year ended 31 December 2021, there was an exchange loss of HK\$1,518,000 (2020 exchange gain of: HK\$896,000), which mainly resulted from the translation of receivables and payables denominated in foreign currencies other than the functional currencies of the group companies.

Other Expenses

For the year ended 31 December 2021, other expenses were HK\$82,013,000, representing an increase of 38.1% compared to HK\$59,373,000 for the year ended 31 December 2020. The increase was mainly attributable to (i) a write off in property, plant and equipment amount to approximately HK\$6,617,000 during the year ended 31 December 2021 while nil incurred for the year ended 31 December 2020; (ii) an increase in advertising and promotion expenses by approximately HK\$5,097,000 during the year ended 31 December 2021; (iii) an increase in financial guarantee expenses, a non-cash expense, of approximately HK\$3,868,000 during the year ended 31 December 2021; and (iv) the general cost saving during the temporary closure of our 4S shops, repair centres and offices in early 2020 due to the outbreak of the COVID-19 pandemic.

Finance Costs

Finance costs slightly increased from HK\$34,508,000 for the year ended 31 December 2020 to HK\$34,665,000 for the year ended 31 December 2021.

Income Tax Expense

Income tax expense during the year ended 31 December 2021 was HK\$24,900,000, a decrease by 6.9% compared to HK\$26,742,000 for the year ended 31 December 2020. The effective tax rate of the Group decreased from 33.6% for the year ended 31 December 2020 to 27.6% for the year ended 31 December 2021. The decrease was due to decrease in losses of the Group's loss making subsidiaries compared to last year.

Financial Resources and Liquidity

As at 31 December 2021, shareholders' fund of the Group amounted to HK\$815,812,000 (2020: HK\$724,632,000). Current assets of the Group amounted to HK\$1,464,928,000 (2020: HK\$1,268,001,000), of which HK\$237,870,000 (2020: HK\$174,706,000) were cash and bank balances and pledged deposits. Current liabilities of the Group amounted to HK\$995,694,000 (2020: HK\$887,362,000), mainly represented trade payables, bills payables, borrowings, contract liabilities, accruals and other payables and current portion of lease liabilities. The Group had non-current liabilities of approximately HK\$151,421,000 (2020: HK\$154,821,000) and mainly represents the non-current portion of borrowings, lease liabilities and deferred tax liabilities. The net asset value per share as at 31 December 2021 was HK\$1.71 (2020: HK\$1.52).

Capital Structure of the Group

During the year ended 31 December 2021, the Group had no debt securities in issue (2020: nil).

The Group obtained funding mainly from bank and other borrowings. They are mainly denominated in Hong Kong dollars and Renminbi (“RMB”). As at 31 December 2021, the Group has available unutilised banking facilities of approximately HK\$231,080,000 (2020: HK\$272,890,000).

Capital Expenditure and Capital Commitments

In 2021, the Group incurred capital expenditure of approximately HK\$43,077,000 (2020: HK\$34,578,000) on acquisition of property, plant and equipment.

As at 31 December 2021, there were commitment contracted but not provided for purchase of property, plant and equipment amounted to approximately HK\$31,593,000. (2020: nil).

Material Acquisitions and Disposals of Subsidiaries or Affiliated Companies

The Group had no acquisitions and disposals of subsidiaries or affiliated companies during the years ended 31 December 2021 and 2020.

Employees

As at 31 December 2021, the total number of employees of the Group was 786 (2020: 757). For the year ended 31 December 2021, the staff costs including directors’ remuneration of the Group amounted to HK\$132,365,000 (2020: HK\$105,709,000), representing 5.1% (2020: 4.7%) of the revenue of the Group. Appropriate staff force is maintained cautiously in accordance with the operational needs and activities of the Group.

It is the Group’s policy to review its employee’s pay levels and performance bonus system regularly to ensure the remuneration policy is competitive within the industry.

Charges on Group’s Assets

As at 31 December 2021, fixed deposits of HK\$122,542,000 (2020: HK\$118,310,000) were pledged to banks and other financial institutions to secure facilities of the Group while amounts of HK\$12,524,000 (2020: HK\$15,991,000) were pledged to banks as security in favor of one of our suppliers.

As at 31 December 2021, certain motor vehicles and plant and machinery with net carrying amount of approximately HK\$10,778,000 (2020: HK\$3,744,000) was pledged as collateral for the other borrowings of the Group.

As at 31 December 2021, building with net carrying amount of approximately HK\$25,097,000 (2020: HK\$26,669,000) was pledged as collateral for the bank borrowings of the Group.

As at 31 December 2021, certain motor vehicles included in right-of-use assets with net carrying amount of approximately HK\$9,019,000 was pledged as collateral for the lease liabilities of the Group (2020: HK\$16,171,000).

As at 31 December 2021, leasehold land included in right-of-use assets with net carrying amounts of approximately HK\$76,690,000 and HK\$2,746,000 were pledged as collateral for the bank borrowings of the Group and Xiamen Zhong Bao respectively (2020: HK\$77,311,000 and HK\$2,731,000 respectively).

Gearing Ratio

The Group expresses its gearing ratio as a percentage of total borrowings (including bills payables, lease liabilities, short-term and long-term borrowings, as shown in the consolidated statement of financial position), less cash and bank balances (net debt), divided by total equity, plus net debt. As at 31 December 2021, the Group had a gearing ratio of 0.49 (2020: 0.51).

Contingent Liabilities

As at 31 December 2021, the Group provided guarantees with aggregate principal amounts of approximately HK\$173,177,000 in respect of banking facilities to Zhong Bao Group (2020: HK\$109,296,000).

Subsequent Events

Subsequent to 31 December 2021 and up to the date of this announcement, there was no material event relevant to the business or financial performance of the Group after 31 December 2021 that comes into the attention of the Directors.

DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2021 (2020: nil).

PROSPECT

Going forward to 2022, we believe that the uncertainties due to the COVID-19 pandemic, as well as the supply disruption caused by the global shortage of automobile chips will continue. However, the Group expects the growth momentum in the automobiles market in China from 2021 will sustain, especially in the new energy vehicles sector. The Group will continue to exercise vigilant cost control to improve productivity and provide excellent customer-oriented services and improve customer experience at our automobile dealer shops as well as leverage on long-term good relationships with leading automobile suppliers of premium and ultra-luxury brands. The Group endeavours to overcome the hurdles ahead and realize its value to the shareholders and business partners.

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

None of the Directors and 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

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

The Company has adopted a share option scheme (the "Share Option Scheme") for the purpose of providing incentives to participants in the Share Option Scheme to contribute to the Group and enabling the Company to recruit high-calibre employees and attract human resources that are valuable to the Group.

No share option has been granted under the Share Option Scheme in prior years and during the year.

ADVANCES TO ENTITIES

As defined in the GEM Listing Rule 17.14, “relevant advance to an entity” means the aggregate of amounts due from and all guarantees given on behalf of (i) an entity; (ii) the entity’s controlling shareholder; (iii) the entity’s subsidiaries; (iv) the entity’s affiliated companies; and (v) any other entity with the same controlling shareholders.

Pursuant to the GEM Listing Rule 17.16, a disclosure obligation arises where the increment of the relevant advance amount to an entity from the Group exceeds 3% under the assets ratio as defined under Rule 19.07 (1) of the GEM Listing Rules (the “Assets Ratio”).

As at 31 December 2021, the Company’s consolidated total assets were approximately HK\$1,962,927,000.

	(Audited)		(Audited)	
	As at		As at	Increment as
	31 December	Assets Ratio	31 December	compared to
	2021	(%)	2020	Assets Ratio
	HK\$’000	(%)	HK\$’000	(%)
Guarantees to Zhong Bao Group (<i>note</i>)	<u>173,177</u>	<u>8.8</u>	<u>109,296</u>	<u>2.6</u>

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

	(Audited)		(Unaudited)	
	As at		As at	Increment as
	31 December	Assets Ratio	30 September	compared to
	2021	(%)	2021	Assets Ratio
	HK\$’000	(%)	HK\$’000	(%)
Guarantees to Zhong Bao Group (<i>note</i>)	<u>173,177</u>	<u>8.8</u>	<u>169,920</u>	<u>N/A</u>

Note: Such amounts include the principal amount of the facilities granted by the banks to Xiamen Zhong Bao and its related companies (“Zhong Bao Group”).

The Group entered into a guarantee agreement on 7 June 2021 (the “Guarantee Agreement A”) with Fuzhou Zhong Bao Automobiles Sales and Service Co., Ltd.# (“FZZB”) and Ningde Zhong Bao Automobiles Sales and Services Co., Ltd.# (“NDZB”). Pursuant to the Guarantee Agreement A, Xiamen BMW Automobiles Service Co, Ltd.#, Quanzhou Fubao Automobiles Sales and Services Co., Ltd.# and Fujian Xingbao Automobiles Sales and Services Co., Ltd.#, all being wholly-owned subsidiaries of the Company, will during the period from 1 August 2021 to 31 July 2023 guarantee FZZB and NDZB banking facilities to be incurred in its ordinary course of business in a maximum aggregate amount of RMB51.0 million. The Guarantee Agreement A and the transactions contemplated thereunder have been approved by shareholders at the Company’s extraordinary general meeting held on 30 July 2021.

The Group entered into another guarantee agreement on 15 November 2021 (the “Guarantee Agreement B”) with Xiamen Zhong Bao Automobiles Co., Ltd.# (“Xiamen Zhong Bao”) to replace the previous one entered into on 12 November 2019, which expired on 31 December 2021. Pursuant to the Guarantee Agreement B, Xiamen BMW Automobiles Service Co, Ltd.# and its immediate holding company, German Automobiles Pte Ltd. will during the period from 1 January 2022 to 31 December 2023 guarantee Xiamen Zhong Bao’s banking facilities to be incurred in its ordinary course of business in a maximum aggregate amount of RMB101.0 million. The Guarantee Agreement B and the transactions contemplated thereunder have been approved by shareholders at the Company’s extraordinary general meeting held on 20 December 2021.

Further details for the Guarantee Agreement A and B were set out in the circular of the Company dated 15 July 2021 and 3 December 2021 respectively.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

For the year ended 31 December 2021, 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 5.48 to 5.67 of the GEM Listing Rules. The Company had also 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 CODE

The Group is committed to promoting good corporate governance, with the following objectives: (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 complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules (the “Code Provisions”) throughout the year ended 31 December 2021.

The Board continues to monitor and review the Group’s progress in respect of corporate governance practices to ensure compliance. The Board and senior management are responsible for performing the corporate governance duties set out in Code Provision D.3.1.

Audit Committee

The Audit Committee was formed on 5 June 2002. As at 31 December 2021, the Audit Committee comprised of Mr. Zhou Ming, Mr. Yuen Kin Pheng and Ms. Guan Xin, all are independent non-executive Directors and Mr. Zhou Ming was the chairman of the Audit Committee. With effective from 18 February 2022, Mr. Yuen Kin Pheng has been redesignated as the chairman of the Audit Committee and Mr. Zhou Ming has been redesignated as a member of Audit Committee.

The primary duties of the Audit Committee are mainly: (a) to review the Group’s annual reports, consolidated financial statements, interim reports and quarterly reports, (b) to review and supervise the financial reporting process, risk management and internal control system of the Group, and (c) to liaise with the external auditor at least twice a year and provide advices and comments thereon to the Board. Further details on the terms of reference of the Audit Committee are available on the website of the Company and the website of the Stock Exchange.

During the year ended 31 December 2021, the Audit Committee held five meetings. The Audit Committee has carefully reviewed the Company’s quarterly, half-yearly and annual results and its risk management and internal control system and has made suggestions to improve them. The Audit Committee has also carried out and discharged its duties set out in the relevant Code Provisions. In the course of doing so, the Audit Committee has met the Company’s management, risk management and internal audit teams and external auditor during 2021. The audited financial results of the Group for the year ended 31 December 2021 have been reviewed by the Audit Committee.

SCOPE OF WORK PERFORMED BY AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, Grant Thornton Hong Kong Limited ("Grant Thornton"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2021. The work performed by Grant Thornton in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Grant Thornton on the preliminary announcement.

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 shares during the year ended 31 December 2021.

DIRECTORS OF THE COMPANY

Executive Directors of the Company as at the date hereof are Mr. Choy Choong Yew, Mr. Ma Hang Kon, Louis, Mr. Xue Guo Qiang and Mr. Zhang Xi; the non-executive Director is Mr. Lin Ju Zheng and the independent non-executive Directors of the Company are Mr. Yuen Kin Pheng, Ms. Guan Xin and Mr. Zhou Ming.

On behalf of the Board
G.A. Holdings Limited
Yuen Kin Pheng
Chairman

Hong Kong, 22 March 2022

This announcement will remain on the "Latest Listed Company Information" page on the GEM website at www.hkgem.com for at least 7 days from the date of its posting and the company's website at www.ga-holdings.com.hk.

for identification purpose only