



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)

2020

Third
Quarterly
Report



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 report, 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 (the “GEM Listing Rules”) of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report 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 report misleading.



The board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2020 together with the comparative figures for the nine months ended 30 September 2019, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2020

	Notes	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
		2020	2019	2020	2019
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	2	636,935	568,310	1,605,315	1,622,216
Other income	2	10,030	9,508	30,032	33,367
		646,965	577,818	1,635,347	1,655,583
Changes in inventories		(10,146)	(37,794)	(37,993)	(15,502)
Auto parts and accessories, and motor vehicles purchased		(553,261)	(442,571)	(1,352,551)	(1,362,726)
Employee benefit expenses		(27,602)	(31,582)	(84,538)	(100,775)
Depreciation and amortisation		(14,227)	(15,799)	(43,453)	(46,410)
Operating lease charges		(1,271)	(1,164)	(3,756)	(4,346)
Exchange differences, net		1,368	(1,637)	273	(2,120)
Other expenses		(14,295)	(18,859)	(38,704)	(49,719)
Profit from operations		27,531	28,412	74,625	73,985
Finance costs		(7,819)	(8,449)	(25,349)	(27,204)
Profit before income tax		19,712	19,963	49,276	46,781
Income tax expense	3	(8,181)	(7,152)	(18,476)	(19,878)
Profit for the period		11,531	12,811	30,800	26,903

	Notes	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
		2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Other comprehensive income (expense)					
Item that may be reclassified subsequently to profit or loss:					
Exchange difference on translation of financial statements of foreign operations		28,009	(15,593)	12,493	(17,825)
Total comprehensive income (expense) for the period		39,540	(2,782)	43,293	9,078
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Earnings per share					
Basic and diluted	4	2.42	2.69	6.47	5.65



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2020

	Attributable to owners of the Company							
	Share capital	Share premium	Capital reserve	Statutory reserve	Other reserve	Translation reserve	Retained profits	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the nine months ended								
30 September 2020 (unaudited)								
At 1 January 2020 (audited)	47,630	29,522	8,623	47,008	(10,735)	(34,412)	533,570	621,206
Profit for the period	-	-	-	-	-	-	30,800	30,800
Other comprehensive income:								
Exchange gain on translation of financial statements of foreign operations	-	-	-	-	-	12,493	-	12,493
Total comprehensive income for the period	-	-	-	-	-	12,493	30,800	43,293
Transactions with owners:								
Appropriation to statutory reserve	-	-	-	6,380	-	-	(6,380)	-
Forfeiture of unclaimed dividend	-	-	-	-	-	-	35	35
Total transactions with owners	-	-	-	6,380	-	-	(6,345)	35
At 30 September 2020	47,630	29,522	8,623	53,388	(10,735)	(21,919)	558,025	664,534

	Attributable to owners of the Company							Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Other reserve	Translation reserve	Retained profits	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the nine months ended 30 September 2019 (unaudited)								
At 1 January 2019 (audited)	47,630	29,522	8,623	39,499	(10,735)	(26,527)	514,200	602,212
Profit for the period	-	-	-	-	-	-	26,903	26,903
Other comprehensive expense:								
Exchange loss on translation of financial statements of foreign operations	-	-	-	-	-	(17,825)	-	(17,825)
Total comprehensive (expense)/income for the period	-	-	-	-	-	(17,825)	26,903	9,078
Transactions with owners:								
Appropriation to statutory reserve	-	-	-	5,946	-	-	(5,946)	-
Total transactions with owners	-	-	-	5,946	-	-	(5,946)	-
At 30 September 2019	47,630	29,522	8,623	45,445	(10,735)	(44,352)	535,157	611,290



Notes:

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Group is 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.

These unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the functional currency of the Company, unless otherwise stated.

(a) Statement of compliance

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the unaudited condensed consolidated financial statements include applicable disclosure required by the GEM Listing Rules.

In preparing the unaudited condensed consolidated financial statements, management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies, the key sources of estimation uncertainty, and, except as described below, the accounting policies adopted for the preparation of these unaudited condensed consolidated financial statements of the Group are consistent with those applied in the preparation of the Group’s audited consolidated financial statements for the year ended 31 December 2019.

(b) New and amended HKFRSs adopted as at 1 January 2020

In the current period, the Group has applied for the first time the new and amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's financial information for the annual period beginning on 1 January 2020.

Amendments to HKFRS 3	Definition of Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

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

(c) Issued but not yet effective HKFRSs

The Group has not applied any new and amended HKFRSs that have been published by the HKICPA but are not yet effective for the current accounting period. The Group has commenced an assessment of the impact of these new standards and amendments, but is not yet in a position to state whether they would have a significant impact of its results and financial position. The Directors expected that the new and amended HKFRSs issued but not effective are not expected to have a material impact on the Group's results and financial position.

(d) Significant accounting policies

The unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2020 has been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 December 2019.

2. REVENUE AND OTHER INCOME

The Group recognised revenue by category as follows:

	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Revenue				
Sales of motor vehicles	463,666	372,105	1,144,722	1,069,562
Servicing of motor vehicles and sales of auto parts	162,828	186,066	430,442	523,188
Technical fee income	2,984	2,461	6,641	7,259
Car rental income	7,457	7,678	23,510	22,207
	636,935	568,310	1,605,315	1,622,216
Other income				
Bank interest income	187	162	1,001	1,002
Commission income	2,831	4,609	8,201	15,212
Consultant service income	4,387	3,658	12,325	11,628
Financial guarantee income	55	106	165	327
Government grants related to cash subsidies*	1,153	–	1,864	–
Net gain on disposal of property, plant and equipment and right of use assets	712	396	3,643	2,603
Gain on termination of lease	4	–	600	–
Sundry income	701	577	2,233	2,595
	10,030	9,508	30,032	33,367

* Government grants mainly related to cash subsidies granted by the government in respect of operating activities which are unconditional grants or grants with conditions having been satisfied.

3. INCOME TAX EXPENSE

The income tax expense is comprised of:

	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Current – Overseas				
Charge for the period	8,376	7,336	19,052	20,463
Current tax – total	8,376	7,336	19,052	20,463
Deferred tax	(195)	(184)	(576)	(585)
Total income tax expense	8,181	7,152	18,476	19,878

The provision for Hong Kong Profits Tax for the nine months ended 30 September 2020 and 2019 is calculated at 16.5% of the estimated assessable profits for the periods. Hong Kong Profits Tax has not been provided as the Group had no assessable profits for the periods.

Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rate of tax prevailing in the countries in which the Group operates.

The income tax provision in respect of operations in the PRC is calculated at the applicable rates on the estimated assessable profits for the period based on the unification of the income tax rates for domestic-invested and foreign invested enterprises at 25% (nine months ended 30 September 2019: 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% (nine months ended 30 September 2019: 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% (nine months ended 30 September 2019: 5%).

Income tax in respect of operations in Singapore has not been provided for the nine months ended 30 September 2020 and 2019 as the Company's Singapore subsidiary has no assessable profits for the periods.



4. EARNINGS PER SHARE

The calculation of basic earnings per share for the three months ended 30 September 2020 is based on the unaudited profit attributable to the owners of the Company for the three months ended 30 September 2020 of HK\$11,531,000 (three months ended 30 September 2019: HK\$12,811,000) and on the weighted average number of 476,300,000 ordinary shares in issue during the three months ended 30 September 2020 (three months ended 30 September 2019: 476,300,000).

The calculation of basic earnings per share for the nine months ended 30 September 2020 is based on the unaudited profit attributable to the owners of the Company for the nine months ended 30 September 2020 of HK\$30,800,000 (nine months ended 30 September 2019: HK\$26,903,000) and on the weighted average number of 476,300,000 ordinary shares in issue during nine months ended 30 September 2020 (nine months ended 30 September 2019: 476,300,000).

Diluted earnings per share for the three months and nine months ended 30 September 2020 and 2019 are the same as the basic earnings per share as there was no dilutive potential ordinary share during the respective periods.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The outbreak of novel coronavirus (COVID-19) epidemic since January 2020 affected the economy around the world. The PRC government has implemented various measures including the extension of the lunar new year holiday, various stay-home orders across all cities, and restrictions on business resumption during February and March 2020. These measures and restrictions have adversely affected the performance of the Group in the first quarter of 2020.

Starting from the second quarter of 2020, the COVID-19 epidemic in the PRC was eased, and the rebound in general consumption has led to an increase in revenue from the sales of motor vehicles in the second and third quarters of 2020 compared to corresponding periods in 2019.

FINANCIAL REVIEW

Revenue

The unaudited consolidated revenue for the nine months ended 30 September 2020 decreased slightly by 1.0%, from HK\$1,622,216,000 in the corresponding period in 2019 to HK\$1,605,315,000 in the current period. Taking into consideration of the depreciation of RMB of approximately 3.0% during the period compared to corresponding period in 2019, there was actually an increase in revenue during the nine months ended 30 September 2020 of approximately 2.0% which was mainly driven by the increase in sales of motor vehicles during the period.

1. Sales of motor vehicles

For the nine months ended 30 September 2020, revenue from the sales of motor vehicles increased by 7.0% from HK\$1,069,562,000 in the corresponding period in 2019 to HK\$1,144,722,000 in the current period which was mainly driven by the sales of more new models with higher price in the current period compared to the nine months ended 30 September 2019.

2. Servicing of motor vehicles and sales of auto parts

Revenue generated from servicing of motor vehicles and sales of auto parts decreased by 17.7% from HK\$523,188,000 in the corresponding period in 2019 to HK\$430,442,000 in the current period. The decrease was mainly due to the decrease in number of times of servicing due to the outbreak of COVID-19.



3. 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 nine months ended 30 September 2020 was HK\$6,641,000, decreased by 8.5% as compared to the corresponding period in 2019 since there was a decrease in the number of cars sold by Xiamen Zhong Bao due to the effect of COVID-19.

4. Car rental business

The income from car rental business in Hong Kong for the nine months ended 30 September 2020 was HK\$23,510,000, representing an increase of 5.9% compared to the corresponding period in 2019. The increase in income was mainly because people generally prefer driving rather than taking public transportation during the outbreak of COVID-19 and also since the local residents cannot travel abroad, they switched to renting cars for leisure during weekends and holidays.

Gross Operating Profit and Gross Operating Margin

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

The gross operating profit for the nine months ended 30 September 2020 decreased by 12.0% from HK\$243,988,000 in the corresponding period in 2019 to HK\$214,771,000 in the current period.

The gross operating margin decreased from approximately 15.0% for the nine months ended 30 September 2019 to approximately 13.4% for the nine months ended 30 September 2020. The decrease was mainly due to the decrease in share of revenue contribution from servicing of motor vehicles and sales of auto parts during the period ended 30 September 2020, which yields relatively higher profit as compared to revenue from the sales of motor vehicles.

Other Income

Other income decreased from HK\$33,367,000 in the corresponding period in 2019 to HK\$30,032,000 for the nine months ended 30 September 2020 mainly due to the decrease in commission income during the period resulted from the effect of COVID-19.

Employee Benefit Expenses

The Group recorded employee benefit expenses of HK\$84,538,000 for the nine months ended 30 September 2020, representing a 16.1% decrease as compared to HK\$100,775,000 in the corresponding period in 2019. It was mainly due to (i) head-count reduction for better cost control during the period; (ii) decrease in staff commission expenses in line with the decrease in gross operating margin; and (iii) depreciation of RMB during the period.

Depreciation and amortisation

Depreciation and amortization expenses decreased by 6.4% from HK\$46,410,000 for the nine months ended 30 September 2019 to HK\$43,453,000 for the nine months ended 30 September 2020. The decrease was mainly due to depreciation of RMB during the nine months ended 30 September 2020 compared to corresponding period in 2019.

Foreign Exchange Exposure

For the nine months ended 30 September 2020, there was an exchange gain of approximately HK\$273,000 (2019: exchange loss of approximately HK\$2,120,000), which resulted from the translation of receivables or payables which denominated in foreign currencies, mainly RMB, other than the functional currencies of the group companies.



Other Expenses

For the nine months ended 30 September 2020, other expenses were HK\$38,704,000, representing a decrease of 22.2% compared to HK\$49,719,000 in the corresponding period in 2019. The decrease was mainly attributable to (i) general cost savings during the temporary closure period of our 4S shops, repair centres and offices due to the outbreak of COVID-19; (ii) decrease in advertising expenses as car manufacturer provided more support on marketing activities; (iii) effective cost control in other operating expenses; (iv) depreciation of RMB during the period compared to corresponding period in 2019; and offset by (v) an increase in provision of expected credit loss allowances on trade and other receivables during the period.

Finance Costs

Finance cost decreased by 6.8% from HK\$27,204,000 for the nine months ended 30 September 2019 to HK\$25,349,000 for the nine months ended 30 September 2020 primarily due to the decrease in average borrowings and bills payables during the period compared to the corresponding period in 2019.

Profit Attributable to Owners of the Company

The profit attributable to owners of the Company for the nine months ended 30 September 2020 was HK\$30,800,000 compared to HK\$26,903,000 for the corresponding period in 2019. The increase was mainly due to (i) a decrease in employee benefit expenses, (ii) a decrease in other operating expenses; and net off by (iii) a decrease in revenue and gross operating margin.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2020 (nine months ended 30 September 2019: nil).

PROSPECTS

Although the impact of the COVID-19 epidemic in the first quarter of 2020 has adversely affected the financial performance of the Group, with the easing of the epidemic since the second quarter of the year in the PRC, the general public's activities gradually returned to normal. We expect that the financial performance in the remaining of year 2020 will be maintained at a level comparable to that before the epidemic. The Group is confident to further improve its profitability and bring value to its stakeholders in the long run.

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

As at 30 September 2020, the interests or short positions 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 Rule 5.48 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares of the Company

Name	Capacity	Number of ordinary shares held	Approximate percentage of shareholding
Luo Wan Ju	Personal interest	8,000,000	1.68%
Ma Hang Kon, Louis	Personal interest	500,000	0.10%
Xue Guo Qiang	Personal interest	19,440,000	4.08%
Zhang Xi	Personal interest	500,000	0.10%

Save as disclosed above, as at 30 September 2020, none of the Directors or their associates has any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which are notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under the provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.



INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2020, the persons or corporations (other than Directors or chief executive of the Company) who have interests or short positions 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 Nee Peng	Beneficial owner and interest of a controlled corporation <i>(Note 1)</i>	107,780,320	22.63%
Loh & Loh Construction Group Ltd.	Beneficial owner	45,284,000	9.51%
Big Reap Investment Limited	Beneficial owner	32,676,320	6.86%
Galligan Holdings Limited	Beneficial owner	39,700,000	8.34%
Credit Suisse Trust Limited	Interest of a controlled corporation <i>(Note 2)</i>	39,700,000	8.34%

Notes:

1. The 107,780,320 shares are held as to 32,676,320 shares by Big Reap Investment Limited, 45,284,000 shares by Loh & Loh Construction Group Ltd as well as 29,820,000 shares directly by Mr. Loh Nee Peng. Big Reap Investment Limited is interested as to 100% by Mr. Loh Nee Peng and Loh & Loh Construction Group Ltd. is interested as to 64% by Mr. Loh Nee Peng. By virtue of Part XV of the SFO, Mr. Loh Nee Peng is deemed to be interested in the shares held by Big Reap Investment Limited and Loh & Loh Construction Group Ltd.
2. The 39,700,000 shares are held by Galligan Holdings Limited which is interested as to 100% indirectly held by Credit Suisse Trust Limited. By virtue of the SFO, Credit Suisse Trust Limited is deemed to be interested in the shares held by Galligan Holdings Limited.

Save as disclosed above, as at 30 September 2020, the Directors are not aware of any other person or corporation having an interests or short positions in the shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company.

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

None of the Directors or chief executives of the Company 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 nine months ended 30 September 2020, 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 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.

During the nine months ended 30 September 2020, no option has been granted under the Share Option Scheme.

ADVANCES TO ENTITIES

As defined in Rule 17.14 of the GEM Listing Rules, “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 Rule 17.16 of the GEM Listing Rules, a disclosure obligation arises where the increment of 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 30 September 2020, the Company’s unaudited consolidated total assets were approximately HK\$1,630,701,000.

	(Unaudited) As at 30 September 2020 HK\$'000	Assets Ratio (%)	(Unaudited) As at 30 June 2020 HK\$'000	Increment as compared to Assets Ratio (%)
Guarantees to Zhong Bao Group (<i>note</i>)	104,696	6.4	100,740	N/A

Note: Such amounts include the principal amount of the facilities granted by the banks to Xiamen Zhong Bao.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 30 September 2020, the Company had adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. 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 Directors’ securities transactions.

CORPORATE GOVERNANCE

The Board also considers that the Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report as contained in Appendix 15 of the GEM Listing Rules throughout the period. Application of corporate governance policies are consistent with those adopted by the Group in the preparation of the annual consolidated financial statements for the year ended 31 December 2019.

AUDIT COMMITTEE

Pursuant to Rule 5.28 and 5.33 of the GEM Listing Rules and Code Provision C.3.3., the Company's Audit Committee was formed on 5 June 2002 and is currently composed of, namely, Mr. Zhou Ming, Mr. Yuen Kin Pheng and Ms. Guan Xin. Mr. Zhou Ming is the Chairman of the 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; and (b) to review and supervise the financial reporting, risk management and internal control procedures of the Group; and (c) to liaise with the external auditor at least twice a year and provide advice and comments thereon to the Board. The Audit Committee has reviewed the 2020 third quarterly results and provided comments.

These unaudited condensed consolidated financial statements have been reviewed and commented by the Audit Committee of the Company and were approved by the Board on 9 November 2020.

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 2020.



DIRECTORS OF THE COMPANY

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

By Order of the Board
G.A. Holdings Limited
Luo Wan Ju
Chairman

Hong Kong, 9 November 2020

* *For identification purpose only*