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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)

DISCLOSEABLE TRANSACTION
AND
RESUMPTION OF TRADING

Reference is made to the announcement of the Company dated 28 October 2013 in respect of the acquisition of the entire equity interest in Fuzhou Furi by Fuzhou BMW on 24 October 2013.

THE DISPOSAL

After the trading hours of the Stock Exchange on 28 October 2013, the Purchaser and Fuzhou BMW entered into the Disposal Agreement, pursuant to which Fuzhou BMW agreed to dispose of and the Purchaser agreed to acquire the Sale Interest at the Consideration of RMB24.5 million (equivalent to approximately HK\$31.1 million).

IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios in relation to the Disposal exceeds 5% but falls below 25%, the Disposal constitutes a discloseable transaction for the Company under the GEM Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES OF THE COMPANY

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 29 October 2013, pending the release of this announcement. An application has been made by the Company for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 1 November 2013.

INTRODUCTION

Reference is made to the announcement of the Company dated 28 October 2013 in respect of the acquisition of the entire equity interest in Fuzhou Furi by Fuzhou BMW on 24 October 2013.

The Board is pleased to announce that after the trading hours of the Stock Exchange on 28 October 2013, Fuzhou BMW and the Purchaser entered into the Disposal Agreement, pursuant to which Fuzhou BMW agreed to sell and the Purchaser agreed to purchase the Sale Interest which represents 49% of the equity interest of Fuzhou Furi as at the date of the Disposal Agreement. The principal terms of the Disposal Agreement are set out below.

THE DISPOSAL AGREEMENT

Date

28 October 2013

Parties

Purchaser : 泉州給力投資有限公司(Quanzhou Geili Investments Co., Ltd.*)

Vendor : Fuzhou BMW, a wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Purchaser is principally engaged in investment holding; and (ii) the Purchaser and its beneficial owner are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

Subject assets

Pursuant to the terms of the Disposal Agreement, Fuzhou BMW agreed to sell and the Purchaser agreed to purchase the Sale Interest, which represents 49% of the equity interest of Fuzhou Furi as at the date of the Disposal Agreement, free from all liens, claims and encumbrances and with all rights attached to them. The transfer of the Sale Interest shall become effective after the full settlement of the Consideration by the Purchaser.

Consideration

The Consideration is RMB24.5 million (equivalent to approximately HK\$31.1 million) and shall be payable in cash by the Purchaser to Fuzhou BMW within 15 days after the execution of the Disposal Agreement. After settlement of the Consideration in full by the Purchaser, the parties shall proceed to complete the necessary registration procedures for the transfer of the Sale Interest from Fuzhou BMW to the Purchaser with relevant PRC authorities.

If the parties to the Disposal Agreement fail to perform their respective obligations under the Disposal Agreement (including the payment of the Consideration by the Purchaser) and such default cannot be remedied within five business days, the non-defaulting party shall have the right to terminate the Disposal Agreement.

The Consideration was determined after arm's length negotiations between the Purchaser and Fuzhou BMW with reference to the unaudited net asset value of Fuzhou Furi of approximately RMB49.5 million (equivalent to approximately HK\$62.9 million) as at 28 October 2013, being the date of the Disposal Agreement.

INFORMATION ON FUZHOU FURI

Fuzhou Furi is a company incorporated in the PRC with limited liability in 2003 and has not carried out any business since incorporation. The scope of the business licence of Fuzhou Furi includes, among other things, trading of motor vehicles and auto parts in the PRC. The acquisition of the entire equity interest in Fuzhou Furi by Fuzhou BMW was completed on 24 October 2013, after which Fuzhou BMW injected additional capital of approximately RMB37.1 million (equivalent to approximately HK\$47.1 million) to Fuzhou Furi. The registered and paid-up capital of Fuzhou Furi is RMB50 million (equivalent to approximately HK\$63.5 million) as at the date of the Disposal Agreement.

Fuzhou Furi did not record any turnover for the two years ended 31 December 2011 and 2012. Fuzhou Furi recorded unaudited loss (both before and after taxation) of approximately RMB234,000 (equivalent to approximately HK\$297,000) and approximately RMB220,000 (equivalent to approximately HK\$279,000) for each of the two years ended 31 December 2011 and 2012, respectively. The unaudited net asset value of Fuzhou Furi as at 28 October 2013 amounted to approximately RMB49.5 million (equivalent to approximately HK\$62.9 million).

FINANCIAL EFFECTS OF THE DISPOSAL

Upon completion of the Disposal, Fuzhou Furi will become an indirect 51%-owned subsidiary of the Company. The Group is expected to record a gain on the Disposal of approximately HK\$110,000, representing the difference between (i) the Consideration of RMB24.5 million (equivalent to approximately HK\$31.1 million); and (ii) the estimated cost directly attributable to the Disposal of approximately HK\$190,000 and the carrying value of Fuzhou Furi of approximately RMB24.3 million (equivalent to approximately HK\$30.8 million) attributable to the Sale Interest as at 28 October 2013. Shareholders and investors should note that the exact amount of gain or loss on the Disposal may differ from the aforesaid figure and is dependent on, among other things, the carrying value of Fuzhou Furi attributable to the Sale Interest as at the date of the settlement of the Consideration by the Purchaser.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

The Group is principally engaged in the sales of motor vehicles and provision of car-related technical services, servicing of motor vehicles and sales of auto parts in the PRC. Fuzhou BMW is principally engaged in the provision of repair and maintenance services of high-end automobiles in the PRC.

The Directors are optimistic about the long term prospects of the sales of motor vehicles in the PRC. In order to improve the performance in this segment, Fuzhou BMW acquired the entire equity interest in Fuzhou Furi, which is currently in negotiation with a European luxurious automobile manufacturer in relation to the distributorship of certain ultra-luxury European automobile brands in Fuzhou, on 24 October 2013. In view of the satisfactory progress of the continuing negotiations between Fuzhou Furi and the European automobile manufacturer, the Company is hopeful that the distributorship would materialize in the near terms.

For the purpose of bringing in additional source of capital for the development of the distributorship business of Fuzhou Furi, the Purchaser is introduced as a financial investor to Fuzhou BMW. The Disposal will result in gross cash inflow of RMB24.5 million (equivalent to approximately HK\$31.1 million) to the Group which will be used for working capital purpose.

Based on the above, the Directors consider the terms of the Disposal Agreement to be fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in relation to the Disposal exceeds 5% but falls below 25%, the Disposal constitutes a discloseable transaction for the Company under the GEM Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES OF THE COMPANY

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DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	G.A. Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM

“Consideration”	the consideration for the Sale Interest of RMB24.5 million (equivalent to approximately HK\$31.1 million) pursuant to the Disposal Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Interest pursuant to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	a share transfer agreement dated 28 October 2013 entered into between Fuzhou BMW and the Purchaser in respect of the Disposal
“Fuzhou BMW”	福州寶馬汽車服務有限公司 (Fuzhou BMW Automobiles Service Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Fuzhou Furi”	福州歐利行汽車銷售服務有限公司 (Fuzhou Furi Auto Sales and Services Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of the Disposal Agreement
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“Purchaser”	泉州給力投資有限公司 (Quanzhou Geili Investments Co., Ltd.*), a company incorporated in the PRC with limited liability
“Sale Interest”	the 49% equity interest in Fuzhou Furi to be sold by Fuzhou BMW to the Purchaser pursuant to the Disposal
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

This announcement contains translation between RMB and HK\$ at the rate of RMB1.00 = HK\$1.27. The translation should not be taken as a representation that the relevant amounts in RMB could actually be converted into HK\$ at that rate or at all.

By Order of the Board
G.A. Holdings Limited
Loh Nee Peng
Executive Deputy Chairman

Hong Kong, 31 October 2013

As at the date of this announcement, the Board comprises Mr. Loh Boon Cha, Mr. Loh Nee Peng, Mr. Lin Ju Zheng, Mr. Choy Choong Yew, Mr. Tan Cheng Kim and Mr. Yeung Chak Sang Johnson as executive Directors; and Mr. Yin Bin, Mr. Lee Kwok Yung, Miss Song Qi Hong and Mr. Wong Jacob as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the date of its posting and on the Company’s website at www.ga-holdings.com.hk.

* *For identification purpose only*