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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)

PROPOSED MANDATE FOR ENTERING INTO A GUARANTEE AGREEMENT WHICH CONSTITUTES A MAJOR TRANSACTION

The Board announces that the Company through its subsidiary Xiamen BMW will, subject to the Shareholders' approval, enter into the Guarantee Agreement whereby Xiamen BMW will during the period from 1 January 2015 to 31 December 2015 guarantee Xiamen Zhong Bao's banking facilities to be incurred in its ordinary course of business in a maximum aggregate amount of RMB190 million (equivalent to approximately HK\$239.78 million).

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as set out and calculated under Rule 19.07 of the GEM Listing Rules) in respect of the Guarantee Agreement exceed(s) 25% but is/are less than 75%, the Guarantee Agreement constitutes a major transaction of the Company and will be subject to announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Board would like to seek the Proposed Mandate from the Shareholders at the EGM to enter into the Guarantee Agreement.

A circular containing further details of the Guarantee Agreement and a notice of the EGM will be despatched to the Shareholders for the Shareholders' information on or around 17 December 2014.

I. GUARANTEE AGREEMENT – POSSIBLE MAJOR TRANSACTION

The Board announces that the Company through its subsidiary Xiamen BMW will, subject to the Shareholders' approval, enter into the Guarantee Agreement whereby Xiamen BMW will during the period from 1 January 2015 to 31 December 2015 guarantee Xiamen Zhong Bao's banking facilities to be incurred in its ordinary course of business in a maximum aggregate amount of RMB190 million (equivalent to approximately HK\$239.78 million).

The principal terms of the Guarantee Agreement are set out as follows.

Parties

- (a) Xiamen BMW
- (b) Xiamen Zhong Bao

Term

One year from 1 January 2015 to 31 December 2015.

Guarantee amount

The maximum aggregate amount of banking facilities to be incurred in the ordinary course of Xiamen Zhong Bao's business and guaranteed by Xiamen BMW is RMB190 million (equivalent to approximately HK\$239.78 million).

Fees, charges and security

No fees, charges or security of any kind will be required from either party to the Guarantee Agreement.

II. INFORMATION OF THE PARTIES

(a) Xiamen BMW

Xiamen BMW, a subsidiary of the Company, is principally engaged in the provision of repair and maintenance and car-related technical services for high-end automobiles.

(b) Xiamen Zhong Bao

Xiamen Zhong Bao is principally engaged in the business of dealership, sales, exhibitions, parts supplies, provision of automobiles after-sales service in Xiamen, the PRC. Xiamen Zhong Bao has acted as the Group's distribution agent in the PRC since 2004.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Xiamen Zhong Bao and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company as at the date of this announcement.

III. REASONS FOR AND BENEFITS OF THE GUARANTEE AGREEMENT

The Group's business model

As part of the Group's business model since the Company's listing in 2002, the Group has always entered into technical and cooperation agreements with distribution agents such as Xiamen Zhong Bao for its motor vehicle trading business. The financing arrangements under the technical and cooperation agreements entered into with the distribution agents include making advance payments and providing facility guarantees as financing support to the distribution agents for the purchase of motor vehicles which are part and parcel of the terms of the technical and cooperation agreements. Furthermore, the provision of facility guarantees are related to the principal activities of car trading business and are to be entered into in the ordinary and usual course of business of the Group.

Aggregate amount guaranteed by Xiamen BMW in favour of Xiamen Zhong Bao as at 30 September 2014

As at 30 September 2014, the aggregate amount guaranteed by Xiamen BMW in favour of Xiamen Zhong Bao immediately after entering into the Facilities Guarantee Agreements (as defined in the February 2014 Circular) was RMB182 million (equivalent to approximately HK\$229.7 million). This amount is the sum total of:

- (a) the RMB70 million guaranteed by Xiamen BMW in favour of Xiamen Zhong Bao prior to the March 2014 EGM; and
- (b) the maximum principal amount of RMB100 million in the Facilities Agreements underlying the Facilities Guarantee Agreements as disclosed in the February 2014 Circular; and
- (c) the estimated maximum amount of interest and fees under the Facilities Guarantee Agreements of RMB12 million as disclosed in the February 2014 Circular.

The aggregate maximum amount of RMB190 million to be guaranteed under the Guarantee Agreement has been arrived at after taking into account the above, an extra RMB8 million as a buffer to allow for possible interest rate fluctuation and arm's length negotiations with Xiamen Zhong Bao.

Different expiry dates of facilities agreements underlying guarantees

The facility agreement entered into between Xiamen Zhong Bao and Bank of China Xiamen Branch underlying the RMB70 million guaranteed by Xiamen BMW referred to in (a) above expired in August 2014.

The facilities agreements with China CITIC Bank Xiamen and China Minsheng Bank underlying the facilities guarantee agreements referred to in (b) above will expire respectively in March and May 2015.

As the above mentioned facilities agreements expire, Xiamen Zhong Bao is expected to renew the banking facilities with the relevant banks. Xiamen BMW will also be expected to guarantee the underlying banking facilities in line with the Group's business model. It is anticipated that the Proposed Mandate, if passed by the Shareholders, will give the Directors the flexibility to during term of the Guarantee Agreement guarantee Xiamen Zhong Bao's banking facilities to be incurred in its ordinary course of business in a maximum aggregate amount of RMB190 million without having to seek Shareholders approval for entering into guarantees expected to be required of Xiamen BMW as and when the underlying facilities agreements expire.

The Directors are of the view that the terms of the Guarantee Agreement, which were negotiated on an arm's length basis, are fair and reasonable. The Directors consider that it is in the interest of the Company and the Shareholders as a whole to enter into the Guarantee Agreement.

IV. GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as set out and calculated under Rule 19.07 of the GEM Listing Rules) in respect of the Guarantee Agreement exceed(s) 25% but is/are less than 75%, the Guarantee Agreement constitutes a major transaction of the Company and will be subject to the applicable announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Board would like to seek the Proposed Mandate from the Shareholders at the EGM to enter into the Guarantee Agreement.

To the best of the knowledge, information and belief of the Directors having made all enquiries, no Shareholders or any of their respective associates have any material interest in the Guarantee Agreement. As such, no Shareholder would be required to abstain from voting on the resolutions to be proposed at the EGM.

A circular containing further details of the Guarantee Agreement and a notice of the EGM will be despatched to the Shareholders as soon as practicable for the Shareholders' information on or around 17 December 2014.

As the entering into of the Guarantee Agreement is dependent upon the approval of the Shareholders at the EGM which approval may or may not be forthcoming, Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the content requires otherwise:

“Company”	G. A. Holdings Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and if thought fit, to grant the Proposed Mandate to the Directors
“February 2014 Circular”	the circular of the Company dated 26 February 2014
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Guarantee Agreement”	the guarantee agreement to be entered into between Xiamen BMW and Xiamen Zhong Bao subject to the Proposed Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“March 2014 EGM”	the extraordinary meeting of the Company held on 14 March 2014
“PRC”	the People’s Republic of China
“Proposed Mandate”	the mandate to be granted in advance to the Directors to enter into the Guarantee Agreement at the EGM
“Shareholder(s)”	the shareholder(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xiamen BMW”	Xiamen BMW Automobiles Service Co., Ltd. (廈門寶馬汽車維修有限公司), a wholly-owned subsidiary of German Automobiles Pte. Ltd. which in turn is a wholly-owned subsidiary of the Company
“Xiamen Zhong Bao”	Xiamen Zhong Bao Automobiles Co., Ltd. (廈門中寶汽車有限公司), an independent third party of the Company

For illustration purposes only, an exchange rate of RMB1 to HK\$1.262 has been applied in this announcement. No representation is made that any amount in RMB or HK\$ was, could have been or could be converted at such rate or at any other rate or at all.

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

Hong Kong, 26 November 2014

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.