
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in G.A. Holdings Limited (the “**Company**”), you should at once hand this circular to the purchaser(s) or transferee(s) to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

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This circular is not and does not constitute an invitation or offer to acquire, purchase or subscribe for the shares or other securities of the Company.

This circular, for which the directors of the Company (the “**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (1) the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this circular misleading.



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)

**MAJOR TRANSACTION – FACILITIES GUARANTEES UNDER THE
GUARANTEE AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of the Company (the “**EGM**”) to be held at 4:00 p.m. on Tuesday, 13 January 2015, at Unit 1203, 12th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong is set out on pages 29 to 30 of this circular.

Whether or not you are able to attend the EGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible and in any event, not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

This circular will remain on the GEM website at www.hkgem.com and at www.hkexnews.hk on the “Latest Company Announcement” page for 7 days from the date of its posting and on the Company’s website at www.ga-holdings.com.hk.

24 December 2014

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	6
APPENDIX I – FINANCIAL INFORMATION	18
APPENDIX II – GENERAL INFORMATION	23
NOTICE OF EXTRAORDINARY GENERAL MEETING	29

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the meanings set out below:

“Bank of China Xiamen Branch”	Xiamen Branch of Bank of China Limited (中國銀行股份有限公司廈門市分行)
“Board”	the board of Directors of the Company
“China CITIC Bank”	China CITIC Bank Corporation Limited (中信銀行股份有限公司)
“China CITIC Bank Xiamen Branch”	Xiamen Branch of China CITIC Bank Corporation Limited (中信銀行股份有限公司廈門分行)
“China Minsheng Bank”	China Minsheng Banking Corporation Limited (中國民生銀行股份有限公司)
“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 at 4:00 p.m. on Tuesday, 13 January 2015 to consider and if thought fit to approve the Guarantee Agreement and the transactions contemplated thereunder
“Facilities A”	Facilities A include but are not limited to a series of loans, notes, guarantees, and letters of credit entered into or may be entered into by the Facilities A Lender and Xiamen Zhong Bao
“Facilities A Agreements”	the facility agreements in respect of Facilities A that entered into or may be entered into by Xiamen Zhong Bao and the Facilities A Lender
“Facilities A Framework Agreement”	the Facilities A framework agreement which governs the terms of the Facilities A Agreements
“Facilities A Guarantee Agreement”	the facility guarantee agreement entered into by the Facilities A Lender, Xiamen Zhong Bao and Xiamen BMW dated 14 March 2014 whereby Xiamen BMW agreed to provide a facility guarantee to the Facilities A Lender in respect of the Facilities A borrowed by Xiamen Zhong Bao from the Facilities A Lender
“Facilities A Lender”	China CITIC Bank Xiamen Branch

DEFINITIONS

“Facilities Agreements”	the Facilities A Agreements, the Facilities B Agreements and the Facilities C Agreements
“Facilities B”	Facilities B include but are not limited to a series of loans, notes, guarantees, and letters of credit entered into or may be entered into by the Facilities B Lender and Xiamen Zhong Bao
“Facilities B Agreements”	the facility agreements in respect of Facilities B that entered into or may be entered into by Xiamen Zhong Bao and the Facilities B Lender
“Facilities B Framework Agreement”	the Facilities B framework agreement which governs the terms of the Facilities B Agreements
“Facilities B Guarantee Agreement”	the facilities guarantee agreement entered into by the Facilities B Lender, Xiamen Zhong Bao and Xiamen BMW dated 14 March 2014 whereby Xiamen BMW agreed to provide a facility guarantee to the Facilities B Lender in respect of the Facilities B borrowed by Xiamen Zhong Bao from the Facilities B Lender
“Facilities B Lender”	China Minsheng Bank
“Facilities C ”	Facilities C include but are not limited to a series of loans, notes, guarantees, and letters of credit entered into or may be entered into by the Facilities C Lender and Xiamen Zhong Bao
“Facilities C Agreements”	the facility agreements in respect of Facilities C that entered into or may be entered into by Xiamen Zhong Bao and the Facilities C Lender
“Facilities C Guarantee Agreement”	the facilities guarantee agreement entered into by the Facilities C Lender and Xiamen BMW whereby Xiamen BMW agreed to provide a facility guarantee to the Facilities C Lender in respect of the Facilities C borrowed by Xiamen Zhong Bao from the Facilities C Lender
“Facilities C Lender”	Bank of China Xiamen Branch
“Facilities Guarantee Agreements”	the Facilities A Guarantee Agreement, the Facilities B Guarantee Agreement, the Facilities C Guarantee Agreement, the New Facilities A Guarantee Agreement, the New Facilities B Guarantee Agreement and the New Facilities C Guarantee Agreement

DEFINITIONS

“Facilities Guarantees”	the guarantees provided and/or to be provided (as the case may be) by Xiamen BMW in favour of Xiamen Zhong Bao under the Guarantee Agreement (which shall in turn include the guarantees provided and/or to be provided by Xiamen BMW under the Facilities Guarantee Agreements)
“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
“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the guarantee agreement dated 22 December 2014 between Xiamen BMW and Xiamen Zhong Bao in respect of the Facilities Guarantees
“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
“Latest Practicable Date”	22 December 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Lenders”	the Facilities A Lender, the Facilities B Lender and the Facilities C Lender
“March 2014 Announcement”	the announcement of the Company dated 14 March 2014 in relation to the disclosure pursuant to Rules 17.15 and 17.17 of the GEM Listing Rules in connection with the entering into of the Facilities A Guarantee Agreement and the Facilities B Guarantee Agreement
“March 2014 EGM”	the extraordinary general meeting of the Company held on 14 March 2014 which the Shareholders approved the guarantees provided by Xiamen BMW under the Facilities A Guarantee Agreement and the Facilities B Guarantee Agreement and the March 2014 Mandate
“March 2014 Mandate”	the mandate granted to the Directors pursuant to the Shareholders’ resolution passed at the March 2014 EGM to enter into the Facilities A Guarantee Agreement and the Facilities B Guarantee Agreement and to complete the transactions contemplated thereunder

DEFINITIONS

“New Facilities A Framework Agreement”	the new Facilities A framework agreement to be entered into by the Facilities A Lender and Xiamen Zhong Bao which governs the terms of the facility agreements in respect of Facilities A that may be entered into by Xiamen Zhong Bao and the Facilities A Lender after the expiry of the Facilities A Framework Agreement, and for the purpose of renewing the Facilities A Framework Agreement
“New Facilities A Guarantee Agreement”	the facilities guarantee agreement to be entered into by the Facilities A Lender and Xiamen BMW whereby Xiamen BMW shall provide a facility guarantee to the Facilities A Lender in respect of the Facilities A to be borrowed by Xiamen Zhong Bao from the Facilities A Lender
“New Facilities B Framework Agreement”	the new Facilities B framework agreement to be entered into by the Facilities B Lender and Xiamen Zhong Bao which governs the terms of the facility agreements in respect of Facilities B that may be entered into by Xiamen Zhong Bao and the Facilities B Lender after the expiry of the Facilities B Framework Agreement, and for the purpose of renewing the Facilities B Framework Agreement
“New Facilities B Guarantee Agreement”	the facilities guarantee agreement to be entered into by the Facilities B Lender and Xiamen BMW whereby Xiamen BMW shall provide a facility guarantee to the Facilities B Lender in respect of the Facilities B to be borrowed by Xiamen Zhong Bao from the Facilities B Lender
“New Facilities C Framework Agreement”	the new Facilities C framework agreement to be entered into by the Facilities C Lender and Xiamen Zhong Bao which governs the terms of the facility agreements in respect of Facilities C that may be entered into by Xiamen Zhong Bao and the Facilities C Lender
“New Facilities C Guarantee Agreement”	the facilities guarantee agreement to be entered into by the Facilities C Lender and Xiamen BMW whereby Xiamen BMW shall provide a facility guarantee to the Facilities C Lender in respect of the Facilities C to be borrowed by Xiamen Zhong Bao from the Facilities C Lender
“New Facilities Framework Agreements”	the New Facilities A Framework Agreement, the New Facilities B Framework Agreement and the New Facilities C Framework Agreement
“November 2014 Announcement”	the announcement of the Company dated 26 November 2014 in respect of the transactions to be contemplated under the Guarantee Agreement

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“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 circular. 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.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Loh Boon Cha (*Chairman*)
Mr. Loh Nee Peng (*Executive Deputy Chairman*)
Mr. Choy Choong Yew (*Managing Director*)
Mr. Lin Ju Zheng
Mr. Tan Cheng Kim
Mr. Yeung Chak Sang Johnson

Independent Non-Executive Directors:

Mr. Lee Kwok Yung
Mr. Yin Bin
Miss Song Qi Hong
Mr. Wong Jacob

Registered Office:

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P.O. Box 2681
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Cayman Islands

Principal place of business in Hong Kong:

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Causeway Bay, Hong Kong

Head office in Singapore:

51 Goldhill Plaza #15-05
Singapore 308900

24 December 2014

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION – FACILITIES GUARANTEES UNDER THE
GUARANTEE AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the November 2014 Announcement and the announcement of the Company dated 22 December 2014 in respect of the Guarantee Agreement.

Pursuant to the Guarantee Agreement, Xiamen BMW will provide the Facilities Guarantees, of a maximum aggregate amount of RMB190 million (equivalent to approximately HK\$239.78 million), which constitutes a major transaction of the Company and thus is subject to the reporting, announcement and shareholders' approval requirements pursuant to Chapter 19 of the GEM Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with, among other things, further information relating to the Guarantee Agreement and the transactions contemplated thereunder and other information required by the GEM Listing Rules.

FACILITIES GUARANTEES UNDER THE GUARANTEE AGREEMENT WHICH CONSTITUTE A MAJOR TRANSACTION

1. The Guarantee Agreement

Reference is made to the November 2014 announcement and the announcement of the Company dated 22 December 2014. The Company's subsidiary, Xiamen BMW, entered into the Guarantee Agreement on 22 December 2014 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).

Subject to the approval by the Shareholders at the EGM, the Facilities Guarantees under the Guarantee Agreement will be entered into between Xiamen BMW and Xiamen Zhong Bao.

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

Parties

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

Date

22 December 2014

Period

One year from 1 January 2015 to 31 December 2015.

Guarantee amount

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

Please refer to the paragraph headed "Details of the New Facilities Framework Agreements" in this section for details of the proposed principal terms of the New Facilities Framework Agreements.

LETTER FROM THE BOARD

Fees, charges and security

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

Conditions

The transactions contemplated under the Guarantee Agreement are conditional upon the Shareholders' approval on the same having been obtained at the EGM.

2. 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 and due to certain rules and regulations in the PRC that foreign companies are not allowed to engage in the business of trading motor vehicles directly in the PRC, the Group has always entered into technical and cooperation agreements with distribution agents such as Xiamen Zhong Bao for its motor vehicle trading business. Pursuant to the technical and cooperation agreements, the distribution agents shall purchase motor vehicles manufactured in the PRC from local suppliers on behalf of the Group and assist the Group in marketing such motor vehicles to the customers in the PRC. In return, the Group receives fees from technical service provided to such agents based primarily on the number of motor vehicles sold. During the year ended 31 December 2013, the said fees received by the Group contributed approximately 8.1% of the Group's total revenue. Xiamen Zhong Bao was also one of the Group's top five customers, contributing more than 10% of the Group's total revenue.

The financing arrangements under the technical and cooperation agreements 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.

The provision of the Facilities Guarantees will help secure the source of technical service fee income for the Group. The Board also considers that the Group has been in this business cooperation to provide corporate guarantees for the aforesaid purpose to this business partner and similar corporate guarantees have been granted to the same banks. Taking into account the Group's business model and its long term cooperation with Xiamen Zhong Bao, the Board considers the entry of the Guarantee Agreement promotes and maintains the business relationship with Xiamen Zhong Bao, and in view of this no fees, charges or securities of any kind are required under the Guarantee Agreement. The Board is of the view that the credit risk in respect of Xiamen Zhong Bao is small, please refer to the section headed "Financial Effect" in Appendix I – Financial Information to this circular for further detail.

LETTER FROM THE BOARD

The Board considers that the terms of the Guarantee Agreement, which were negotiated on an arm's length basis, are fair and reasonable and the entering into of the Guarantee Agreement and the provision of the Facilities Guarantees are in the interests of the Company and the Shareholders as a whole.

Facilities Guarantee Agreements

As disclosed in the February 2014 Circular and the March 2014 Announcement, on 14 March 2014, Xiamen BMW entered into:

- (1) the Facilities A Guarantee Agreement whereby Xiamen BMW agreed to provide a facility guarantee in favour of the Facilities A Lender in relation to the principal RMB50 million, interest and fees of the borrowings of Xiamen Zhong Bao under the Facilities A Agreements; and
- (2) the Facilities B Guarantee Agreement whereby Xiamen BMW agreed to provide a facility guarantee in favour of the Facilities B Lender in relation to the principal RMB50 million, interest and fees of the borrowings of Xiamen Zhong Bao under the Facilities B Agreements.

Details and the principal terms of the Facilities A Guarantee Agreement and the Facilities B Guarantee Agreement are set out in the February 2014 Circular and the March 2014 Announcement.

Furthermore, prior to the March 2014 EGM, Xiamen BMW provided a guarantee in favour of Xiamen Zhong Bao in the amount of RMB70 million in respect of the Facilities C, which comprised revolving facilities made available to Xiamen Zhong Bao by the Facility C Lender during the three years commencing from August 2011. The principal terms of the Facilities C are substantially similar to the principal terms of the New Facilities C Framework Agreement which are set out in the paragraph headed "Details of the New Facilities Framework Agreements – The New Facilities C Framework Agreement" in this section.

Different expiry dates of facilities agreements underlying guarantees

The facility agreement entered into between Xiamen Zhong Bao and the Facilities C Lender underlying the RMB70 million (equivalent to approximately HK\$88.34 million) guaranteed by Xiamen BMW prior to the March 2014 EGM expired in August 2014.

The Facilities A Framework Agreement and Facilities B Framework Agreement underlying the Facilities Guarantee Agreements will expire respectively in March and May 2015.

As the abovementioned facilities agreements expire, Xiamen Zhong Bao is expected to renew the banking facilities with the Facilities A Lender, the Facilities B Lender and the Facilities C Lender respectively and to enter into the New Facilities Framework Agreements. 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 entry of the Guarantee Agreement and the Facilities Guarantees contemplated therein, if approved by the Shareholders, will give the Directors the flexibility to during the term of

LETTER FROM THE BOARD

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 (equivalent to approximately HK\$239.78 million, details of how the said maximum aggregate amount were arrived at are set out in the paragraph headed "Aggregate amount guaranteed by Xiamen BMW in favour of Xiamen Zhong Bao as at 31 October 2014" below) 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.

In the three years ended 31 December 2011, 2012 and 2013, Xiamen BMW provided guarantees to Xiamen Zhong Bao in the amount of approximately RMB208 million (equivalent to approximately HK\$262.50 million), RMB120 million (equivalent to approximately HK\$151.44 million), and RMB70 million (equivalent to approximately HK\$88.34 million) respectively.

3. Aggregate amount guaranteed by Xiamen BMW in favour of Xiamen Zhong Bao as at 31 October 2014

As at 31 October 2014, the aggregate amount guaranteed by Xiamen BMW in favour of Xiamen Zhong Bao was RMB182 million (equivalent to approximately HK\$229.68million).

This amount is the sum total of:

- (1) the RMB70 million (equivalent to approximately HK\$88.34 million) guaranteed by Xiamen BMW in favour of Xiamen Zhong Bao in respect of the Facilities C prior to the March 2014 EGM (this RMB70 million merely relates to the obligation of Xiamen BMW under the terms of Facilities C Guarantee Agreement to guarantee the Facilities C for a period of two years after its expiry in August 2014, whereas in practice as from August 2014 no liability under such guarantee obligation existed or would have arisen with the expiry of the Facilities C in August 2014);
- (2) the maximum principal amount of RMB100 million (equivalent to approximately HK\$126.20 million) in the Facilities A Agreements and the Facilities B Agreements, underlying the Facilities A Guarantee Agreement and the Facilities B Guarantee Agreement (under the terms of which Xiamen BMW has agreed to guarantee the Facilities A and the Facilities B respectively for a period of two years), as disclosed in the February 2014 Circular; and
- (3) the estimated maximum amount of interest and fees under the Facilities A Guarantee Agreement and the Facilities B Guarantee Agreement of RMB12 million (equivalent to approximately HK\$15.14 million) as disclosed in the February 2014 Circular.

The aggregate maximum amount of RMB190 million (equivalent to approximately HK\$239.78 million) to be guaranteed under the Guarantee Agreement has been arrived at after taking into account the above, an extra RMB8 million (equivalent to approximately HK\$10.10 million) as a buffer to allow for possible interest rate fluctuation and arm's length negotiations with Xiamen Zhong Bao.

LETTER FROM THE BOARD

4. Estimated maximum amount of interest and fees under the Facilities Guarantees

The calculation of the estimated maximum amount of interest and fees payable by the Group under the Facilities Guarantees in the scenario where no repayment (and the corresponding interests) is made by Xiamen Zhong Bao during the loan period is based on the following assumptions:-

- (1) The maximum amount borrowed under the Facilities A, Facilities B and Facilities C is drawn by Xiamen Zhong Bao on the first day when the Facilities Agreements are entered into.
- (2) The Company assumes the duty to pay off the default facilities and the liabilities and repay all of the principal in its entirety immediately.

The interest rates of the Facilities A, Facilities B and Facilities C will be the prevailing market bank loan rate in the PRC. The forecasted maximum market bank loan rate for 2015 is approximately 7.5% and the actual bank loan rate used in the facilities in 2014 ranged from approximately 6.6% to approximately 7.5%.

Calculation

Size of the facilities: RMB170 million (equivalent to
approximately HK\$214.54 million)

The maximum exposure and liabilities of the Facilities Guarantees is calculated based on the following:

	Facilities A	Facilities B	Facilities C
Principal (A)	RMB50 million	RMB50 million	RMB70 million
Loan period	1 year	1 year	1 year
Maximum loan interest (B) (assuming 7.5% per annum)	RMB3.75 million	RMB3.75 million	RMB5.25 million
Guarantee period	2 years	2 years	2 years
Maximum penalty (same terms with the same banks previously) (C)	RMB1.88 million	RMB1.88 million	RMB2.63 million
Facility fee (calculated at 0.3% of loan principal) (same terms with the same banks previously) (D)	RMB0.15 million	RMB0.15 million	RMB0.21 million

LETTER FROM THE BOARD

	Facilities A	Facilities B	Facilities C	Total of Facilities A, Facilities B and Facilities C
Total				
Principal (A)	RMB50 million	RMB50 million	RMB70 million	RMB170 million
Other liabilities (B+C+D)	RMB5.78 million	RMB5.78 million	RMB8.09 million	RMB19.65 million
Estimated maximum exposure	RMB55.78 million	RMB55.78 million	RMB78.09 million	RMB189.65 million

Total estimated maximum exposure for Facilities A, Facilities B and Facilities C is therefore approximately RMB189.65 million (equivalent to approximately HK\$239.34 million).

5. Details of the New Facilities Framework Agreements

Xiamen Zhong Bao, as the borrower, is expected to enter into the New Facilities A Framework Agreement, the New Facilities B Framework Agreement and the New Facilities C Framework Agreement with the Facilities A Lender, the Facilities B Lender and the Facilities C Lender respectively. It is anticipated that the New Facilities A Framework Agreement and the New Facilities B Framework Agreement shall be substantially the same terms with the Facilities A Framework Agreement and the Facilities B Framework Agreement respectively, save for the terms of each of the New Facilities A Framework Agreement and the New Facilities B Framework Agreement shall have a term of one (1) year commencing from the respective expiry dates of the Facilities A Framework Agreement and the Facilities B Framework Agreement. Details of the proposed principal terms of the New Facilities Framework Agreements are set out as follows:

The New Facilities A Framework Agreement

Parties

- (a) Xiamen Zhong Bao
- (b) The Facilities A Lender

Principal Terms

- (1) Xiamen Zhong Bao may borrow up to a maximum aggregated credit amount of RMB50 million during the usage period.
- (2) The maximum aggregated credit amount may be utilized in one or more types of borrowing such as loans, import and export documents, promissory notes, discounted bills, letters of credit, letters of guarantee, or any types of credit facilities accepted by the Facilities A Lender.

LETTER FROM THE BOARD

- (3) The usage period of the maximum aggregated credit amount is one year which commences from the date of entering into the New Facilities A Framework Agreement.
- (4) The credit facilities under Facilities A are revolving facilities and can be reused during the usage period once repaid.
- (5) The fees of bills, bank guarantee, international trades and financing, discount rate of discounted bills, the interest rate and exchange rate in respect of loans and import and export documents chargeable by the Facilities A Lender shall be determined in the contracts to be agreed between Xiamen Zhong Bao and the Facilities A Lender.
- (6) The Facilities A Lender, at any time it chooses to, has the rights to investigate into the use of the credit limit as specified in the New Facilities A Framework Agreement. Under certain circumstances, Facilities A Lender may also adjust the loan period of Facilities A.
- (7) Facilities A Lender may require Xiamen Zhong Bao to provide additional guarantee other than the one to be provided by the Group, including extending any guarantee provided in respect of this Facilities A for a period of two years.

The New Facilities B Framework Agreement

Parties

- (a) Xiamen Zhong Bao
- (b) The Facilities B Lender

Principal Terms

- (1) Xiamen Zhong Bao may borrow up to a maximum aggregated credit amount of RMB50 million during the usage period.
- (2) The maximum aggregated credit amount may be utilized in one or more types of borrowing such as loans, import and export documents, promissory notes, discounted bills, letters of credit, letters of guarantee, or any types of credit facilities accepted by the Facilities B Lender.
- (3) The usage period of the maximum aggregated credit amount is one year which commences from the date of entering into the New Facilities B Framework Agreement.
- (4) The credit facilities under Facilities B are revolving facilities and can be reused during the usage period once repaid.
- (5) The fees of bills, bank guarantee, international trades and financing, discount rate of discounted bills, the interest rate and exchange rate in respect of loans and import and export documents chargeable by the Facilities B Lender shall be determined in the contracts to be agreed between Xiamen Zhong Bao and the Facilities B Lender.

LETTER FROM THE BOARD

- (6) The Facilities B Lender, at any time it chooses to, has the rights to investigate into the use of the credit limit as specified in the New Facilities B Framework Agreement. Under certain circumstances, Facilities B Lender may also adjust the loan period of Facilities B.
- (7) Facilities B Lender may require Xiamen Zhong Bao to provide additional guarantee other than the one to be provided by the Group, including extending any guarantee provided in respect of this Facilities B for a period of two years.
- (8) If Xiamen Zhong Bao fails to fulfil its obligations under the New Facilities B Framework Agreement, Facilities B Lender may terminate the use of the credit limit under the New Facilities B Framework Agreement.

The New Facilities C Framework Agreement

Parties

- (a) Xiamen Zhong Bao
- (b) The Facilities C Lender

Principal Terms

- (1) Xiamen Zhong Bao may borrow up to a maximum aggregated credit amount of RMB70 million during the usage period.
- (2) The maximum aggregated credit amount may be utilized in one or more types of borrowing such as loans, import and export documents, promissory notes, discounted bills, letters of credit, letters of guarantee, or any types of credit facilities accepted by the Facilities C Lender.
- (3) The usage period of the maximum aggregated credit amount is one year which commences from the date of entering into the New Facilities C Framework Agreement.
- (4) The credit facilities under Facilities C are revolving facilities and can be reused during the usage period once repaid.
- (5) The fees of bills, bank guarantee, international trades and financing, discount rate of discounted bills, the interest rate and exchange rate in respect of loans and import and export documents chargeable by the Facilities C Lender shall be determined in the contracts to be agreed between Xiamen Zhong Bao and the Facilities C Lender.
- (6) The Facilities C Lender, at any time it chooses to, has the rights to investigate into the use of the credit limit as specified in the New Facilities C Framework Agreement. Under certain circumstances, Facilities C Lender may also adjust the loan period of Facilities C.

LETTER FROM THE BOARD

- (7) Facilities C Lender may require Xiamen Zhong Bao to provide additional guarantee other than the one to be provided by the Group, including extending any guarantee provided in respect of this Facilities C for a period of two years.
- (8) If Xiamen Zhong Bao fails to fulfil its obligations under the New Facilities C Framework Agreement, Facilities C Lender may terminate the use of the credit limit under the New Facilities C Framework Agreement.

INFORMATION OF THE PARTIES

1. 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.

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 Latest Practicable Date.

2. The Lenders

China CITIC Bank Xiamen Branch, the lender to the Facilities A, is a company incorporated in the PRC and a branch company of China CITIC Bank. China CITIC Bank is principally engaged in banking and other related financial services.

China Minsheng Bank, the lender to the Facilities B, is a company incorporated in the PRC. China Minsheng Bank is principally engaged in commercial banking.

Bank of China Xiamen Branch, the lender to the Facilities C, is a company incorporated in the PRC and a branch company of Bank of China. Bank of China is principally engaged in banking and other related financial services.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Lenders are third parties independent of the Company and are not connected persons of the Company.

3. The Company and Xiamen BMW

Xiamen BMW, a subsidiary of the Company, is or will be the guarantor under the Guarantee Agreement and the Facilities Guarantee Agreements.

The Company is an investment holding company. Its subsidiaries are principally engaged in the distribution of motor vehicles, provision of car-related technical services, servicing of motor vehicles and sales of auto parts.

LETTER FROM THE BOARD

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 transactions contemplated under 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 approvals from the Shareholders at the EGM on the Guarantee Agreement and the transactions contemplated thereunder.

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.

As the Guarantee Agreement is conditional 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.

THE EGM

The EGM will be held at 4:00 p.m. on Tuesday, 13 January 2015, at Unit 1203, 12th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong to consider and, if thought fit, approve, among other things, the entering into of the Guarantee Agreement. A notice convening the EGM is set out on pages 29 to 30 of this circular.

A proxy form is enclosed herewith for use at the EGM. Whether or not you intend to be present at the EGM, you are advised to complete the form of proxy and return it to the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the EGM or any adjournment thereof. Completion and delivery of a form of proxy will not preclude you from attending and voting at the EGM or any adjournment in person should you so wish.

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed from Friday, 9 January 2015 to Tuesday, 13 January 2015 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify to attend and vote at the EGM, all instruments of transfer must be delivered to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Thursday, 8 January 2015.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

According to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the resolution proposed at the EGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under the Rule 17.47(5) of the GEM Listing Rules.

The results of the poll will be published on the websites of the Company and GEM as soon as practicable following the conclusion of the EGM.

RECOMMENDATIONS

The Board considers that the terms of the Guarantee Agreement to be fair and reasonable and that the resolutions set out in the notice of the EGM are in the interest of the Company and the Shareholders as a whole. As such, the Board recommends the Shareholders to vote in favour of all resolutions at the EGM.

OTHER INFORMATION

Your attention is also drawn to the information set forth in the Appendices to this circular.

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

FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the nine-month period ended 30 September 2014 and the years ended 31 December 2011, 2012 and 2013 respectively are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ga-holdings.com.hk>):

- third quarterly report of the Company for the nine months ended 30 September 2014 published on 12 November 2014 (pages 2–7) (<http://www.hkexnews.hk/listedco/listconews/GEM/2014/1112/GLN20141112027.pdf>);
- annual report of the Company for the year ended 31 December 2013 published on 28 March 2014 (pages 30–99) (<http://www.hkexnews.hk/listedco/listconews/GEM/2014/0328/GLN20140328011.pdf>);
- annual report of the Company for the year ended 31 December 2012 published on 26 March 2013 (pages 30–88) (<http://www.hkexnews.hk/listedco/listconews/GEM/2013/0326/GLN20130326019.pdf>); and
- annual report of the Company for the year ended 31 December 2011 published on 1 April 2012 (pages 28–88) (<http://www.hkexnews.hk/listedco/listconews/GEM/2012/0401/GLN20120401032.pdf>).

INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2014, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had borrowings amounting to approximately HK\$92.16 million, details of which are as follows:

Borrowings

The following table illustrates the unaudited financial information of the Group's bank and other borrowings as at 31 October 2014:

	<i>HK\$'000</i>
Obligations under finance leases	24,386
Trust receipts loans	5,357
Bank loans	<u>62,416</u>
	<u><u>92,159</u></u>

Analysed as:

	Secured <i>HK\$'000</i>	Unsecured <i>HK\$'000</i>	Total secured and unsecured <i>HK\$'000</i>	Guaranteed <i>HK\$'000</i>	Unguaranteed <i>HK\$'000</i>	Total guaranteed and unguaranteed <i>HK\$'000</i>
Obligations under						
finance leases	24,386	–	24,386	–	24,386	24,386
Trust receipts loans	–	5,357	5,357	5,357	–	5,357
Bank loans	34,400	28,016	62,416	34,400	28,016	62,416
	<u>58,786</u>	<u>33,373</u>	<u>92,159</u>	<u>39,757</u>	<u>52,402</u>	<u>92,159</u>

Certain motor vehicles of the Group are held under finance leases. Finance lease liabilities are effectively secured as the rights to the leased assets will revert to the lessor in the event of default.

As at 31 October 2014, the Group's trust receipt loan of approximately HK\$5.36 million is guaranteed by the Company.

As at 31 October 2014, the Group's bank loans of approximately HK\$34.40 million are secured by the Group's pledged deposits of approximately HK\$6.31 million and an independent third party's properties, and are guaranteed by independent third parties.

Pledged deposits

As at 31 October 2014, the Group's bank deposits of approximately HK\$10.74 million are pledged in respect of providing security to suppliers.

As at 31 October 2014, the Group's bank deposits of approximately HK\$6.31 million are pledged to a bank in respect of the banking facilities granted to the Group.

Contingent liabilities and guarantees

As at 31 October 2014, the Group had the following contingent liabilities and guarantees in the ordinary course of business:

Guarantees for bank loans to Xiamen Zhong Bao:	RMB182 million (equivalent to approximately HK\$229.68 million)
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Saved as disclosed above, no member of the Group is engaged in any litigation or claims of material importance known to the Directors to be pending or threatened against any members of the Group.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, the Group did not have any loan capital issued and outstanding or agreed to be issued, any bank overdrafts and liabilities under acceptances (other than normal trade bills) or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities as at the close of business on the Latest Practicable Date.

WORKING CAPITAL STATEMENT

The Directors are of the opinion that, after taking into account the present internal resources and available bank loan facilities of the Group, and the effect of the entering into of the Guarantee Agreement in the absence of any unforeseen circumstances, the Group has sufficient working capital for at least the next twelve months from the date of publication of this circular.

FINANCIAL EFFECT

The entering into of the Guarantee Agreement and the provision of the Facilities Guarantees will not have any immediate effect on the Group's earnings, assets and liabilities. However, Xiamen BMW, as a guarantor, will be responsible for repayment of the banking facilities amounted to approximately RMB190 million (equivalent to approximately HK\$239.78 million) for the principal amount guaranteed under the Guarantee Agreement in case there is a default in the repayment of the relevant loans by Xiamen Zhong Bao.

In the event that Xiamen Zhong Bao were to default in the payments of the relevant loans, the Company's liabilities would be increased by approximately RMB190 million (equivalent to approximately HK\$239.78 million) for the principal amount guaranteed under the Guarantee Agreement (and the Facilities Guarantee Agreements), and the same amount will be charged to the Group's income statement.

In assessing Xiamen Zhong Bao's credit risk, the Board not only took into consideration the long history of cooperation between the Group and Xiamen Zhong Bao starting from 2004, the Board also performed a financial assessment on Xiamen Zhong Bao's asset, quality, leverage and liquidity ratios.

In particular, the Board examined the following areas of Xiamen Zhong Bao as part of its assessment on the credit risk of Xiamen Zhong Bao annually:

- (i) the turnover of inventory and the level of obsolete stock of Xiamen Zhong Bao;
- (ii) an ageing analysis of Xiamen Zhong Bao's debtors;
- (iii) the carrying amount of assets of Xiamen Zhong Bao;
- (iv) an estimation of the value of the servicing centres and showrooms of Xiamen Zhong Bao;
- (v) the gearing ratio of Xiamen Zhong Bao to meet its short-term obligations as well as its long-term liabilities;
- (vi) the past history of Xiamen Zhong Bao's ability to repay its bank loans; and

- (vii) the ability of Xiamen Zhong Bao in maintaining an adequate cash flow in its day-to-day operations and an adequate reserve of banking facilities.

Having considered the above criteria of Xiamen Zhong Bao, the Board is of the view that the credit risk of Xiamen Zhong Bao is small and that Xiamen Zhong Bao has been monitoring its credit risk actively and effectively for the financial years under review.

After considering the previous financial and operation performance of Xiamen Zhong Bao and that Xiamen Zhong Bao has never been noted for any default in repayment to the banks, the Directors are of the view that the provision of the Facilities Guarantees will not have any material negative financial effects on the earnings, assets and liabilities of the Group, unless the Company is required to settle the obligations under the Facilities Guarantee. It is expected that the (i) working capital (i.e. the net current assets and liabilities) of the Group will not decrease; (ii) the gearing ratio expressed as a percentage of total borrowings, including bills payables, short term and long term bank borrowings will not increase; and (iii) cash outflow from investing activities will increase and/or cash inflow from financing activities (i.e. bank borrowings and/or other external financing) will not increase. On the contrary it is also expected that the cash inflow from operating activities and earnings of the Group will increase due to the increase in technical fee income and servicing income accordingly.

MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change to the financial or trading position of the Group since 31 December 2013, being the date to which the latest published audited financial statements of the Company were made up.

FINANCIAL AND TRADING PROSPECTS

Though a slight recovery was noted since the last quarter of 2013, the sales performance for the nine months ended 30 September 2014 is lagging behind as customers are expecting the launch of various new car models in rest of 2014 especially for smaller size cars. Nevertheless, the major premium carmakers forecasted that the overall market will still have promising outlook in the PRC.

Furthermore, the operation of one of the subsidiaries of the Group, Fuzhou Euro Motors Sales & Service Co. Ltd., has commenced lately in June 2014 with official opening of its showroom in Fuzhou in mid of October 2014. Satisfying number of pre-orders for the premium automobiles have already been received and partially reflected in the third quarter of 2014. The Group therefore expects that its sales will follow this market trend in the rest of 2014.

Though the recent deterioration in foreign currencies may have some short term impact to the Group, the Board is confident that the car sales from the new dealership will benefit the Group's results in the coming quarter of 2014. Together with continuous demand in after-sales services and support, the Group result is expected to be prudently optimistic in last quarter of 2014.

The Group strives for growth through sustaining the development of its core operations as well as from seeking dynamic expansion through acquisitions or joint ventures with existing business partners.

As a result of the provision of guarantees under the March 2014 Mandate, the total amount of bank guarantees granted by the Group increased to approximately HK\$230 million as at 31 October 2014 from approximately HK\$90 million at the beginning of 2014. The total amount of bank guarantees granted by the Group will be approximately HK\$240 million after the entering into the Facilities Guarantee Agreements pursuant to the Guarantee Agreement.

RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

DISCLOSURE OF INTERESTS**Interest of Directors**

As at the Latest Practicable Date, the interests or short position of Directors in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of SFO) which are notified to the Company and the Stock Exchange pursuant to the SFO (including interests or short positions which they are taken or deemed to have under the provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in shares

Name	Capacity	Number of Ordinary Shares held				Total	Approximate percentage of shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interests		
Loh Nee Peng	Interest of controlled corporations	-	-	77,960,320 (Note 1)	-	77,960,320	16.37%
Loh Boon Cha	Deemed interest	-	32,676,320 (Note 2)	45,284,000 (Note 2)	-	77,960,320	16.37%

Notes:

1. The 77,960,320 Shares are held as to 32,676,320 Shares by Big Reap Investment Limited and as to 45,284,000 Shares by Loh & Loh Construction Group Ltd., which are interested as to 100% and 64%, respectively by Mr. Loh Nee Peng. By virtue of the SFO, Mr. Loh Nee Peng is deemed to be interested in the Shares held by Big Reap Investment Limited and Loh & Loh Construction Group Ltd.
2. Out of the 77,960,320 Shares deemed to be interested by Mr. Loh Boon Cha, 45,284,000 Shares are held by Loh & Loh Construction Group Ltd. which in turn is interested as to 21% by Mr. Loh Boon Cha, 15% by Mr. Loh Him Her, and 64% by Mr. Loh Nee Peng; and 32,676,320 Shares are held by Big Reap Investment Limited which in turn is interested as to 100% by Mr. Loh Nee Peng. By virtue of the SFO, Mr. Loh Boon Cha is deemed to be interested in the Shares held by Loh & Loh Construction Group Ltd. and Big Reap Investment Limited as Mr. Loh Boon Cha is the father of Mr. Loh Nee Peng.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their associates, has any interests or short position 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.

Substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following person (not being a Director or the chief executive of the Company) had, or were deemed to have, interests or short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital, carrying rights to vote in all circumstances at general meetings of the Group, or substantial shareholders are recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Capacity	Number of Shares held	Approximate percentage of shareholding
Loh & Loh Construction Group Ltd.	Beneficial owner (<i>Note 1</i>)	45,284,000	9.51%
Loh Kim Her	Interest of a controlled corporation (<i>Note 2</i>)	53,284,000	11.19%
Fang Zhen Chun	Beneficial owner	90,792,000	19.06%
Tycoons Investment International Limited	Beneficial owner	71,671,085	15.05%
Chan Hing Ka Anthony	Beneficial owner and interest of a controlled corporation (<i>Note 3</i>)	72,047,085	15.13%
Big Reap Investment Limited	Beneficial owner	32,676,320	6.86%

Notes:

1. Loh & Loh Construction Group Ltd. is held as to 15% by Mr. Loh Him Her, as to 64% by Mr. Loh Nee Peng and as to 21% by Mr. Loh Boon Cha.

2. The 53,284,000 Shares held as to 8,000,000 Shares by Affluence Investment International Limited, and as to 45,284,000 Shares by Loh & Loh Construction Group Ltd., which are interested as to 100% and 15% respectively by Mr. Loh Kim Her. By virtue of the SFO, Mr. Loh Kim Her is deemed to be interested in the Shares held by Affluence Investment International Limited and Loh & Loh Construction Group Ltd.
3. The 72,047,085 Shares held as to 71,671,085 Shares by Tycoons Investment International Limited, which are interested as to 100% by Mr. Chan Hing Ka Anthony, and 376,000 Shares directly by Mr. Chan Hing Ka Anthony as beneficial owner. By virtue of the SFO, Mr. Chan Hing Ka Anthony is deemed to be interested in the Shares held by Tycoons Investment International Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who is expected, interested in 5% or more of the nominal value of any class of share capital, carrying rights to vote in all circumstances at general meetings of the Company.

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or (so far as was known to them) any of their respective associates was interested in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company which does not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

AUDIT COMMITTEE

The audit committee of the Company comprises four independent non-executive Directors, namely, Mr. Lee Kwok Yung (chairperson), Mr. Yin Bin, Ms. Song Qi Hong and Mr. Wong Jacob. The primary duties of the audit committee are mainly to (a) review the Group's annual financial statements, interim reports and quarterly reports; and (b) to review and supervise the financial reporting process and the internal control procedures of the Group; and (c) liaise with the external auditor at least twice a year and provide advice and comments thereon to the board of Directors.

Mr. Lee Kwok Yung

Mr. Lee Kwok Yung, aged 59, is a solicitor admitted to practice law in Hong Kong and a member of the Law Society of Hong Kong. He is currently a partner at Messrs Hau, Lau, Li & Yeung, Solicitors & Notaries in Hong Kong. Mr. Lee has over 20 years of experience in law practicing. He holds a diploma from the College of Radiographers and an honor degree in law from the University of London, and a postgraduate certificate in law from the University of Hong Kong. Mr. Lee is experienced in commercial law, litigation and conveyancing. Mr. Lee was appointed as an independent non-executive Director since June 2002.

Mr. Yin Bin

Mr. Yin Bin, aged 43, obtained a master degree in economics from the Hunan University. Mr. Yin is the general manager of a trading financial service agent in the PRC and has extensive experience in trade and finance. Mr. Yin was appointed as an independent non-executive Director since July 2004.

Ms. Song Qi Hong

Ms. Song Qi Hong, aged 43, holds a bachelor degree in economics and a master degree in business administration from Huazhong Agricultural University (華中農業大學). She is a certified tax planner registered with China Enterprise Confederation and a member of each of The Chinese Institute of Certified Public Accountants and The Institute of Internal Auditors. Ms. Song has more than 18 years of experience in the fields of auditing, accounting and financial management. She was a senior project manager of a bank in China and then served a chief financial officer of in the commercial sector. She is currently the general manager of finance and auditing department and a committee member of the credit guarantee risk appraisal committee of Guangdong Yinda Guaranty Investment Group Company Limited (廣東銀達擔保投資集團有限公司). Ms. Song was appointed as an independent non-executive Director since August 2010.

Mr. Wong Jacob

Mr. Wong, Jacob, aged 52, holds a bachelor degree in general business from University of San Francisco. He is a senior management professional with over 20 years of exceptional skills and experience in business development, account management, client development, sales and partnership management. He is a consultant for Asia Pacific region of an investment company in San Francisco. Mr. Wong was appointed as an independent non-executive Director since March 2012.

LITIGATION

The Company was not engaged in any litigation or arbitration or claims of material importance, and no such litigation or arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Company, as at the Latest Practicable Date.

No member of the Group is engaged in any litigation or claims of material importance known to the directors to be pending or threatened against any members of the Group.

INTERESTS IN ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2013, being the date to which the latest published audited consolidated financial statements of the Group were made up.

INTERESTS IN CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors was materially interested in any contracts or arrangements subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the issue of this circular, and are material:

- (a) the share transfer agreement dated 24 October 2013 entered into between Xiamen Zhong Bao and 福州寶馬汽車服務有限公司 (Fuzhou BMW Automobiles Service Co., Ltd.*) (“**Fuzhou BMW**”), pursuant to which Fuzhou BMW agreed to pay RMB12.9 million (equivalent to approximately HK\$16.28 million) in cash to Xiamen Zhong Bao as the consideration for the shareholding interest of 福州歐利行汽車銷售服務有限公司 (Fuzhou Furi Auto Sales and Services Co., Ltd.*) (“**Fuzhou Furi**”) which was determined with reference to the net asset value of Fuzhou Furi;
- (b) the share disposal agreement dated 28 October 2013 entered into between Fuzhou BMW and 泉州給力投資有限公司 (Quanzhou Geili Investments Co., Ltd.*) (“**Quanzhou Geili**”), pursuant to which Quanzhou Geili agreed to pay RMB24.5 million (equivalent to approximately HK\$30.92 million) in cash to Fuzhou BMW as consideration for the shareholding interest of Fuzhou Furi which was determined with reference to the increased net asset value of Fuzhou Furi; and
- (c) the Guarantee Agreement.

* *for identification purpose only*

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company during normal business hours on any weekday (except Saturdays, Sundays and public holidays) from the date of this circular up to and including Tuesday, 13 January 2015:

- (a) the memorandum of association and articles of association of the Company;
- (b) the material contracts referred to in the paragraph headed “Material Contracts” in this Appendix, including the Guarantee Agreement;
- (c) the annual reports of the Company for the financial years ended 31 December 2011, 2012 and 2013 and the third quarterly report of the Company for the nine months ended 30 September 2014; and

- (d) the February 2014 Circular and this circular.

GENERAL INFORMATION

- (a) The company secretary of the Company is Mr. Yeung Chak Sang Johnson, being a fellow member of the Hong Kong Institute of Certified Public Accountants.
- (b) The Company's share registrar and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (c) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.
- (d) Mr. Choy Choong Yew, an executive Director, also acts as the Managing Director and compliance officer of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “EGM”) of the shareholders of G.A. Holdings Limited (the “Company”) will be held at 4:00 p.m., on Tuesday, 13 January 2015, at Unit 1203, 12th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong for the following purposes. Unless otherwise indicated, capitalised terms used in this notice and the following resolutions shall have the same meanings as those defined in the circular of the Company dated 24 December 2014 of which the notice convening the EGM forms part.

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions.

ORDINARY RESOLUTION

“THAT

- (a) the Guarantee Agreement entered into between Xiamen BMW and Xiamen Zhong Bao, a copy has been produced at this meeting marked “A” and initialled by the chairman of the EGM for the purpose of identification, its terms and the transactions contemplated thereunder are hereby approved, confirmed and ratified; and
- (b) the Directors be and are hereby authorised on behalf of the Company to do all such things and sign, seal, execute, perfect and deliver all such documents as they may in their discretion consider necessary, desirable or expedient, for the purposes of or in connection with the implementation and/or give effect to any matters relating to the Guarantee Agreement and the transactions contemplated thereunder, including but not limited to the Facilities Guarantee Agreements.”

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

Hong Kong, 24 December 2014

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

Unit 1203, 12th Floor, Eton Tower
8 Hysan Avenue
Causeway Bay
Hong Kong

Head office in Singapore:

51 Goldhill
Plaza#15-05
Singapore 308900

Notes:

1. The register of members of the Company will be closed from Friday, 9 January 2015 to Tuesday, 13 January 2015 (both dates inclusive), during which period no transfer of shares will be registered. In order to determine the identity of members who are entitled to attend and vote at the EGM to be held on Tuesday, 13 January 2015, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Thursday, 8 January 2015, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
2. Any member of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or, if he holds two or more Shares, more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending and voting in person.
4. If two or more persons are joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s). For this purpose, seniority shall be determined by the order in which the names stand in the principal or branch register of members of the Company in respect of the joint holding.