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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 AND CONNECTED TRANSACTION –  
ACQUISITION OF 49% EQUITY INTEREST IN  
FUZHOU EURO MOTORS SALES & SERVICE CO., LTD.\***

**THE ACQUISITION**

On 15 June 2017, the Purchaser and the Vendor entered into the Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Interest at the consideration of RMB20.0 million (equivalent to approximately HK\$23.0 million) in cash.

As at the date of this announcement, Fuzhou Euro is owned as to 51% by the Purchaser (an indirect wholly-owned subsidiary of the Company) and as to 49% by the Vendor. Following the Completion, Fuzhou Euro will become an indirect wholly-owned subsidiary of the Company.

**IMPLICATIONS UNDER THE GEM LISTING RULES**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceeds 5% but falls below 25%, the Acquisition constitutes a disclosable transaction for the Company under Chapter 19 of the GEM Listing Rules, and is subject to the announcement and reporting requirements.

As at the date of this announcement, the Vendor owns 49% equity interest in Fuzhou Euro, an indirect non-wholly-owned subsidiary of the Company. Accordingly, the Vendor is a connected person of the Company at the subsidiary level, and the Acquisition constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. Since the terms of the connected transaction between the Purchaser and the Vendor are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the connected transaction is exempt from the circular, independent

financial advice and shareholders' approval requirements pursuant to Rule 20.99 of the GEM Listing Rules and is only subject to the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules.

The Board is pleased to announce that after the trading hours of the Stock Exchange on 15 June 2017, the Purchaser and the Vendor entered into the Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Interest, which represents 49% equity interest in the Target as at the date of the Agreement.

As at the date of this announcement, Fuzhou Euro is owned as to 51% by the Purchaser (an indirect wholly-owned subsidiary of the Company) and as to 49% by the Vendor. Following the Completion, Fuzhou Euro will become an indirect wholly-owned subsidiary of the Company.

The principal terms of the Agreement are set out below.

## **THE AGREEMENT**

### **Date**

15 June 2017

### **Parties**

Purchaser : Fuzhou Xingbao, a wholly-owned subsidiary of the Company

Vendor : 泉州給力投資有限公司 (Quanzhou Geili Investments Co., Ltd.\*), its beneficial owners are Independent Third Parties (other than the Vendor being the current shareholder of the Target holding 49% equity interests and one of the shareholders of the Vendor being the director of the Target and holding 0.73% of the Shares)

## **ASSETS TO BE ACQUIRED**

Pursuant to the Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Interest, which represents 49% equity interest in Fuzhou Euro as at the date of the 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 RMB20.0 million (equivalent to approximately HK\$23.0 million) and shall be payable in cash by the Purchaser to the Vendor within 10 business days after the change of industrial and commercial registration of the Target in the PRC.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor based on (a) the valuation conducted by Independent Valuer in respect of 49% equity interest of the Target of approximately RMB20.2 million as at 31 March 2017, which was determined with reference to (i) the revenue of the Target for the trailing 12 months period from 1 April 2016 to 31 March 2017 of approximately RMB168.3 million (equivalent to approximately HK\$193.4 million), (ii) the net profit of the Target for the trailing 12 months period from 1 April 2016 to 31 March 2017 of approximately RMB3.9 million (equivalent to approximately HK\$4.5 million), and (iii) the price-to-earnings ratio and price-to-sales ratio of market players which are listed companies, taking into account the discount of lack of marketability; and (b) the future prospects of the Target given the improving financial performance of the Target in recent years, details of which are set out in the paragraph headed "Reasons for the acquisition" in this announcement. The Group will finance the Consideration by internal resources and/or debt financing.

## **DIRECTORS' CONFIRMATION**

The Directors (including all the independent non-executive Directors) are of the view that the terms of the Agreement are fair and reasonable, and the Acquisition is on normal commercial terms or better (having such meaning as ascribed to such expression under Chapter 20 of the GEM Listing Rules) and in the interests of the Company and the Shareholders as a whole. None of the Directors have any material interest in the Agreement or are required to abstain from voting on any resolutions considered and passed at the Board meeting held on 15 June 2017.

## **INFORMATION ON FUZHOU EURO**

Fuzhou Euro is a company incorporated in the PRC with limited liability in 2003. The scope of the business licence of the Target includes, among other things, sales of motor vehicles and auto parts and servicing of motor vehicles in the PRC. Fuzhou Euro has operated a 4S dealer store of ultra-luxury brands since 2014.

On 24 October 2013, the Group acquired 100% equity interest in Fuzhou Euro, to seek new opportunities to expand the Group's business and offer a wider variety of products and services that suits the need of luxury car owners. On 28 October 2013, the Group disposed of 49% equity interest in Fuzhou Euro to the Vendor at the consideration of RMB24.5 million, for the purposes of bringing in additional source of capital for the development of the distributorship business of Fuzhou Euro. For details, please refer to Company's announcements dated 28 October 2013 and 31 October 2013 respectively.

According to the financial statements of the Target prepared in accordance with the relevant accounting rules and financial regulations applicable to enterprises in the PRC, the Target recorded audited loss before and after tax of approximately RMB15.5 million (equivalent to approximately HK\$17.8 million) and approximately RMB4.9 million (equivalent to approximately HK\$5.6 million) for each of the two years ended 31 December 2015 and 2016, respectively. The audited net asset value of the Target as at 31 December 2016 amounted to approximately RMB21.5 million (equivalent to approximately HK\$24.7 million).

Following the Completion, Fuzhou Euro will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target will continue to be consolidated to the financial results of the Group.

## **REASONS FOR THE ACQUISITION**

The Group is principally engaged in sales of motor vehicles, provision of car-related technical services, servicing of motor vehicles, sales of auto parts and provision of car rental services.

The Target is an indirect non-wholly-owned subsidiary of the Company with 51% equity interest held by Fuzhou Xingbao, and has operated a 4S dealer store of ultra-luxury brands since 2014. The financial performance of the Target has been improving in recent years and the Target has become profitable since November 2016, and continues to be profitable as shown in its unaudited first quarterly result ended 31 March 2017.

In view of prosperous future, the Directors are of the view that the acquisition of remaining 49% equity interest in the Target will (i) enable the Group to further enhance its operating results and fully benefit from 100% of the profit of the Target; (ii) better enhance the Group's image and position itself to pursue future expansion in the ultra-luxury automobile business; and (iii) further increase general competitiveness in the automotive industry with a better portfolio of premium and ultra-luxury brands.

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

## **INFORMATION ABOUT THE GROUP AND PARTIES INVOLVED IN THE AGREEMENT**

The Group is principally engaged in sales of motor vehicles, provision of car-related technical services, servicing of motor vehicles, sales of auto parts and provision of car rental services.

The Purchaser is principally engaged in provision of repair and maintenance services of high-end automobiles and an indirect wholly-owned subsidiary of the Company.

The Vendor is a company incorporated in the PRC with limited liability and is principally engaged in investment holding. To the best of the Company's knowledge and after making reasonable enquiries, the Vendor and its beneficial owners are Independent Third Parties (other than the Vendor being the current shareholder of the Target holding 49% equity interests and one of the shareholders of the Vendor being the director of the Target and holding 0.73% of the Shares).

## **GEM LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceeds 5% but falls below 25%, the Acquisition constitutes a disclosable transaction for the Company under Chapter 19 of the GEM Listing Rules, and is subject to the announcement and reporting requirements.

As at the date of this announcement, the Vendor owns 49% equity interest in Fuzhou Euro, an indirect non-wholly-owned subsidiary of the Company. Accordingly, the Vendor is a connected person of the Company at the subsidiary level, and the Acquisition constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. Since the terms of the connected transaction between the Purchaser and the Vendor are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the connected transaction is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 20.99 of the GEM Listing Rules and is only subject to the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Sale Interest by the Purchaser pursuant to the terms and conditions of the Agreement
“Agreement”	the share transfer agreement dated 15 June 2017 entered into between the Vendor and the Purchaser in respect of the Acquisition
“Board”	the board of Directors
“business day(s)”	any day other than a Saturday or Sunday or public holiday in the PRC
“Company”	G.A. Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on GEM
“Completion”	completion of the Acquisition under the Agreement
“connected person(s)”	meanings as ascribed pursuant to the GEM Listing Rules
“Consideration”	the consideration for the Sale Interest of RMB20.0 million (equivalent to approximately HK\$23.0 million) pursuant to the Agreement

“Director(s)”	the director(s) of the Company
“Fuzhou Euro”	福州歐利行汽車銷售服務有限公司 (Fuzhou Euro Motors Sales & Service Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company, with 51% equity interest held by the Purchaser
“Fuzhou Xingbao”	福州星寶汽車服務有限公司 (Fuzhou Xingbao Automobiles Service Co., Ltd.*) (formerly known as “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
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the GEM Listing Rules)
“Independent Valuer”	LCH (Asia-Pacific) Surveyors Limited
“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”	福州星寶汽車服務有限公司 (Fuzhou Xingbao Automobiles Service Co., Ltd.*) (formerly known as “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 an indirect wholly-owned subsidiary of the Company
“Sale Interest”	49% equity interest in the Target as at the date of the Agreement to be acquired by the Purchaser
“Share(s)”	shares of HK\$0.10 each in the capital of the Company

“Shareholder(s)”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	福州歐利行汽車銷售服務有限公司 (Fuzhou Euro Motors Sales & Service Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company with 51% equity interest held by the Purchaser
“Vendor”	泉州給力投資有限公司 (Quanzhou Geili Investments Co., Ltd.*), a company incorporated in the PRC with limited liability
“HK\$”	Hong Kong dollar(s), lawful currency of Hong Kong
“RMB”	Renminbi, lawful currency of the PRC
“4S”	a passenger vehicle dealership model that integrates four businesses elements initiated by “S”, i.e., sales, spare parts, services and survey
“%”	per cent

\* *For identification purpose only*

*In the event of inconsistency, the English text of this announcement shall prevail over the Chinese text thereof.*

*For reference only, an exchange rate of HK\$1.00 to RMB0.87 has been used for the conversion of Renminbi into Hong Kong dollars in this announcement.*

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

Hong Kong, 15 June 2017

*As at the date of this announcement, the Board comprises Mr. Luo Wan Ju, Mr. Choy Choong Yew, Mr. Zhang Xi and Mr. Ma Hang Kon, Louis and Mr. Xue Guo Qiang, being the executive Directors; Mr. Lin Ju Zheng, being the non-executive Director; and Mr. Zhou Ming, Mr. Yuen Kin Pheng, Mr. Yin Bin and Ms. Guan Xin, being the 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 “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the day of its posting and on the website of the Company at [www.ga-holdings.com.hk](http://www.ga-holdings.com.hk).*