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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

**ISSUE OF NEW SHARES UNDER GENERAL MANDATE
AND
PRICE SENSITIVE INFORMATION**

On 4 September 2008, the Company and the Subscribers entered into the Subscription Agreements in relation to the subscription of an aggregate of 33,000,000 Subscription Shares by the Subscribers at the Subscription Price of HK\$0.30 per Subscription Share.

To the best of the knowledge of the Directors, having made all reasonable enquiries, each of the Subscribers is an Independent Third Party.

The Subscription Shares represent about 8.25% of the existing issued share capital of the Company and about 7.62% of the Company's issued share capital as enlarged by the Subscription Shares.

The net proceeds of about HK\$9.65 million from the Subscription will be applied in the manner set out in the sub-paragraph headed "Use of net proceeds" below.

The Subscription Price and the Placing Price of HK\$0.30 per Share represents (i) a discount of about 9.09% to the closing price of HK\$0.33 per Share as quoted on the Stock Exchange on 4 September 2008, being the date of the Subscription Agreements; (ii) a discount of about 9.09% to the closing price of HK\$0.33 per Share as quoted on the Stock Exchange on 3 September 2008, being the last trading day before this announcement; and (iii) a discount of about 18.48% to the average closing price of HK\$0.368 for the 5 trading days ended 3 September 2008, being the last trading day immediately prior to the date of the Subscription Agreements.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscribers. The Directors consider that the terms of the Subscription are fair and reasonable based on the current market condition and in the interests of the Company and its Shareholders as a whole.

The Subscription is conditional upon, the Stock Exchange granting listing of and permission to deal in the Subscription Shares.

A. THE SUBSCRIPTION AGREEMENTS DATED 4 SEPTEMBER 2008

1. Parties

The Company

and

The Subscribers, all of whom are individuals. To the best of the knowledge of the Directors, having made all reasonable enquiries, each of the Subscribers is an Independent Third Party.

2. The Subscription

Pursuant to the Subscription Agreements, the Subscribers shall subscribe for an aggregate of 33,000,000 Subscription Shares, as to 5,500,000 Subscription Shares by each of the Subscribers at the Subscription Price of HK\$0.30 per Subscription Share.

3. The Subscription Shares

The Subscription Shares represent

- (i) about 8.25% of the existing issued share capital of the Company of 400,000,000 Shares; and
- (ii) about 7.62% of the Company's issued share capital of 433,000,000 Shares as enlarged by the Subscription Shares.

The Subscription Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

At par value of HK\$0.10 each Share, the aggregate nominal value of the Subscription Shares is HK\$3,300,000.

4. The Subscription Price

The Subscription Price of HK\$0.30 per Subscription Share represents

- (i) a discount of about 9.09% to the closing price of HK\$0.33 per Share as quoted on the Stock Exchange on 4 September 2008, being the date of the Subscription Agreements;
- (ii) a discount of about 9.09% to the closing price of HK\$0.33 per Share as quoted on the Stock Exchange on 3 September 2008, being the last trading day before this announcement; and

- (iii) a discount of about 18.48% to the average closing price of HK\$0.368 for the 5 trading days ended 3 September 2008, being the last trading day immediately prior to the date of the Subscription Agreements.

Taking into account the expenses of the Subscription in the amount of approximately HK\$250,000, the net price to the Company of each Subscription Share is HK\$0.29.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscribers. The Directors consider that the terms of the Subscription are fair and reasonable based on the current capital markets environment and will be more attractive for the potential investors and in the interests of the Company and its Shareholders as a whole.

5. Condition of the Subscription

Completion of the Subscription is conditional upon the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares on or before 3 October 2008 or such other date as the Company and the Subscribers may agree.

6. Completion

Completion of the Subscription is expected to take place on the third business day following fulfilment of the condition of the Subscription Agreements.

B. GENERAL

1. General Mandate

The Subscription Shares will be issued under the General Mandate. As at the date of this announcement, no new Shares have been issued under the General Mandate. The Directors can issue and allot up to 80,000,000 Shares under the General Mandate.

2. Application for listing

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Subscription Shares.

C. REASONS FOR THE SUBSCRIPTION

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

The Directors considered various ways of raising additional funds for future use and the Subscription presented the Company with an opportunity to raise funds. Being presented with this opportunity and considering the current rising trend of bank loan interest rates, the Directors consider that the Subscription represents an opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company at a relatively low cost, compared with bank borrowings which would entail interest expenses whereas an equity issue does not involve any interest expenses.

D. USE OF NET PROCEEDS

The gross proceeds of the Subscription will amount to approximately HK\$9.90 million. After deducting relevant expenses of about HK\$250,000 from the Subscription, the net proceeds from the Subscription will amount to HK\$9.65 million. The net proceeds from the Subscription will be applied as general working capital of the Group and should the Board identified feasible acquisition(s) in the future, the net proceeds may also be used to finance such future acquisition(s).

E. FUND RAISING ACTIVITIES OF THE GROUP IN THE PAST 12 MONTHS

The Group has not engaged in any fund raising activities for the 12 months immediately preceding the date of this announcement.

F. EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the shareholding structure of the Company upon issue of the Placing Shares are set out as below:

Shareholders	As at the date of this announcement		Immediately after completion of the Subscription and the Placing	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
<i>Substantial Shareholders</i>				
Big Reap International Limited (<i>Note 1</i>)	54,865,480	13.71%	54,865,480	12.67%
Loh & Loh Construction Group Ltd. (<i>Note 2</i>)	45,284,000	11.32%	45,284,000	10.46%
Tycoons Investment International Limited (<i>Note 3</i>)	49,481,925	12.37%	49,481,925	11.43%
Affluence Investment International Limited (<i>Note 4</i>)	8,000,000	2.00%	8,000,000	1.85%
Fang Zhen Chun	81,068,000	20.27%	81,068,000	18.72%
<i>Public Shareholders</i>				
Public Shareholders as at the date of this announcement	161,300,595	40.33%	161,300,595	37.25%
The Subscribers	—	—	33,000,000	7.62%
<i>Sub-total for Public Shareholders</i>	<u>161,300,595</u>	<u>40.33%</u>	<u>194,300,595</u>	<u>44.87%</u>
Total	<u>400,000,000</u>	<u>100%</u>	<u>433,000,000</u>	<u>100%</u>

Notes:

- Big Reap International Limited is wholly owned by Mr. Loh Nee Peng, an executive Director, who is also a shareholder of Loh & Loh Construction Group Ltd.
- Loh & Loh Construction Group Ltd. is held as to 49% by Mr. Chan Hing Ka Anthony, as to 15% by Mr. Loh Kim Her, as to 15% by Mr. Loh Nee Peng and as to 21% by Mr. Loh Boon Cha. Mr. Loh Nee Peng and Mr. Loh Boon Cha are executive Directors. Mr. Loh Boon Cha is the brother of Mr. Loh Kim Her and the father of Mr. Loh Nee Peng.
- Tycoons Investment International Limited is wholly owned by Mr. Chan Hing Ka Anthony, who is also a shareholder of Loh & Loh Construction Group Ltd.
- Affluence Investment International Limited is wholly owned by Mr. Loh Kim Her, who is also a shareholder of Loh & Loh Construction Group Ltd. and the brother of Mr. Loh Boon Cha, an executive Director.

G. TERMS AND DEFINITIONS

“Board”	the board of Directors
“Company”	G.A. Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) 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
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by resolutions of Shareholders passed at the annual general meeting of the Company held on 8 May 2008
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, a third party and its ultimate beneficial owner (as applicable) being independent of the Company and its connected persons
“PRC”	People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Ms. Tan Shirley, Mr. Lim Tee Koon, Mr. Tan Cheng Eng, Ms. Tay Seo Yian Jennifer, Ms. Tan Sady and Mr. Wang Jizhuo;
“Subscription”	the subscription of an aggregate of 33,000,000 new Shares by the Subscribers pursuant to the terms of the Subscription Agreements

“Subscription Agreements”	conditional subscription agreements entered into between the Company and each of the Subscribers dated 4 September 2008 in relation to the Subscription and each a “Subscription Agreement”
“Subscription Price”	HK\$0.30 per Subscription Share
“Subscription Shares”	33,000,000 Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
G.A. Holdings Limited
Loh Nee Peng
Managing Director

Hong Kong, 4 September 2008

As at the date of this announcement, Mr. Loh Nee Peng, Mr. Loh Boon Cha and Mr. Xu Ming are the Executive Directors; and Mr. Yin Bin, Mr. Lee Kwok Yung and Mr. Zhang Lei are the Independent Non-executive Directors.

This announcement, for which the directors of G.A. Holdings Limited (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 of The Stock Exchange of Hong Kong Limited 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 announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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