

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



G.A. HOLDINGS LIMITED
G.A. 控股有限公司

(Incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong under the trading name of German Automobiles International Limited)
(Stock Code: 8126)

**PROPOSED MANDATE FOR THE POSSIBLE
MAJOR TRANSACTION INVOLVING
PROVISION OF FACILITIES GUARANTEES**

The Board announces that the Company's subsidiary, Xiamen BMW, subject to the Shareholders' approval, will enter into the Facilities Guarantee Agreements as the Guarantor in favour of each of the Lenders in relation to, among other things, (i) the provision of facility guarantee for the principal, interest and fees under the Facilities A Agreements; and (ii) the provision of facility guarantee for the principal, interest and fees under the Facilities B Agreements. Under each of the Facilities Guarantee Agreements, should the Borrower fail to fulfil its obligations under the Facilities Agreements, Xiamen BMW guarantees to pay each of Lender A and Lender B a maximum amount of RMB50 million (equivalent to approximately HK\$63.9 million) (or an aggregate of RMB100 million (equivalent to approximately HK\$127.8 million) for both Lenders) for the principal under each of the Facilities Agreements and in addition to such maximum amount, the interest, penalties and fees under the Facilities Agreements.

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 Transaction exceed(s) 25% but is/are less than 75%, the Transaction constitutes a major transaction of the Company and will be subject to announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Board would like to seek the Proposed Mandate to be granted in advance to the Directors to enter into the Facilities Guarantee Agreements and complete the Transaction by the Shareholders at the EGM.

A circular containing further details of the Transaction and a notice of the EGM will be despatched to the Shareholders as soon as practicable for the Shareholders' information on or around 14 January 2014.

I. POSSIBLE MAJOR TRANSACTION INVOLVING PROVISION OF FACILITIES GUARANTEES

The Board announces that the Company's subsidiary, Xiamen BMW, subject to the Shareholders' approval, will enter into the Facilities Guarantee Agreements as the Guarantor in favour of each of the Lenders in relation to, among other things, (i) the provision of facility guarantee for the principal, interest and fees under the Facilities A Agreement; and (ii) the provision of facility guarantee for the principal, interest and fees under the Facilities B Agreements. Under each of the Facilities Guarantee Agreements, should the Borrower fail to fulfil its obligations under the Facilities Agreements, Xiamen BMW guarantees to pay each of Lender A and Lender B a maximum amount of RMB50 million (equivalent to approximately HK\$63.9 million) (or an aggregate of RMB100 million (equivalent to approximately HK\$127.8 million) for both Lenders) for the principal under each of the Facilities Agreements and in addition to such maximum amount, the interest, penalties and fees under the Facilities Agreements.

Subject to the approval of the Proposed Mandate by the Shareholders at the EGM, the Facilities A Agreements and Facilities B Agreements will be entered into between the Borrower and the Lenders for the purposes of purchasing motor vehicles by the Borrower.

The principal terms of the two Facilities Guarantee Agreements are set out as follows.

Facilities Guarantee Agreements

(a) *Facilities A Guarantee Agreement*

Parties

- (i) the Borrower;
- (ii) the Guarantor; and
- (iii) the Facilities A Lender.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Facilities A Lender, the Borrower and their ultimate beneficial owners are third parties independent of the Company and independent of the connected persons of the Company as at the date of this announcement.

Guarantee

The Guarantor guarantees to pay the Facilities A Lender the guarantee amount (as discussed below) in the event the Borrower fails to repay Facilities A Lender for the borrowings under the Facilities A Agreements.

Facilities A include but are not limited to loans, notes, guarantees, and letters of credit and their respective Facilities A Agreements to be entered into by the Facilities A Lender and the Borrower.

Guarantee Amount

The guarantee amount to be guaranteed by the Guarantor under the Facilities A Guarantee Agreement includes (i) a maximum amount of RMB50 million (equivalent to approximately HK\$63.9 million) for the principal amount under the Facilities A Agreements; and (ii) any interest, penalty, compound interest, liquidated damages, other damages and the relevant fees in relation to the Facilities A Agreements.

Duration

The obligations of the Guarantor under the Facilities A Guarantee Agreement shall expire on the date falling on two (2) years after expiry of the debt performance period for any specific Facilities A Agreements. The duration of the guarantee under each Facilities A Agreement will be calculated individually.

(b) *Facilities B Guarantee Agreement*

Parties

- (i) the Borrower;
- (ii) the Guarantor; and
- (iii) the Facilities B Lender.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Facilities B Lender, the Borrower and their ultimate beneficial owners are third parties independent of the Company and independent of the connected persons of the Company as at the date of this announcement.

Guarantee

The Guarantor guarantees to pay the Facilities B Lender the guarantee amount (as discussed below) in the event the Borrower fails to repay Facilities B Lender for the borrowings under the Facilities B Agreements.

Facilities B include but are not limited to loans, notes, guarantees, and letters of credit and their respective Facilities B Agreements to be entered into by the Facilities B Lender and the Borrower.

Guarantee Amount

The guarantee amount to be guaranteed by the Guarantor under the Facilities B Guarantee Agreement includes (i) a maximum amount of RMB50 million (equivalent to approximately HK\$63.9 million) for the principal amount under the Facilities B Agreements; and (ii) any interest, penalty, compound interest, liquidated damages, other damages and the relevant fees in relation to the Facilities B Agreements.

Duration

The guarantee period of the Guarantor under the Facilities B Guarantee Agreement shall be two (2) years, the commencement date of which shall be determined as follows:-

- (i) in the event that the performance due date of any Facilities B falls on or before the confirmation date of the guarantee amount, the said confirmation date shall be the commencement date of the guarantee period; or
- (ii) in the event that the performance due date of any Facilities B is later than the confirmation date of the guarantee amount, the performance due date shall be the commencement date of the guarantee period.

The abovementioned confirmation date of the guarantee amount shall be the earlier of the following dates:-

- (1) the expiry date of the coverage period in respect of the Facilities B under the Facilities B Guarantee Agreement; or
- (2) the date on which the Facilities B Lender declares that all amounts under the Facilities B Agreement shall immediately become due and payable before the performance due date pursuant to law or provisions under the Facilities B Agreements; or
- (3) the date on which the guarantee amount shall be confirmed in accordance with law.

II. INFORMATION OF THE PARTIES

(a) Borrower

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.

(b) Lenders

China CITIC Bank Xiamen Branch is the Facilities A Lender to the Facilities A Agreements which is a branch company of China CITIC Bank. China CITIC Bank is principally engaged in banking and related financial services.

China Minsheng Bank is the Facilities B Lender to the Facilities B Agreement. China Minsheng Bank is principally engaged in commercial banking.

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.

(c) The Guarantor

Xiamen BMW, a subsidiary of the Company, is the Guarantor of the facilities under the Facilities A Agreements and the Facilities B 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.

III. REASONS FOR AND BENEFITS OF THE TRANSACTION

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

For the financial year ended 31 December 2012, the Borrower's aggregated sales exceeded RMB1,657 million (equivalent to approximately HK\$2,072 million). The Borrower had a net asset value of approximately RMB341 million (equivalent to approximately HK\$425 million) as of 31 December 2012.

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

IV. GEM LISTING RULES IMPLICATIONS

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

The Board would like to seek the Proposed Mandate to be granted in advance to the Directors to enter into the Facilities Guarantee Agreements and complete the Transaction by the Shareholders at the EGM.

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 Transaction. As such, no Shareholder would be required to abstain from voting on the resolutions to be proposed at the EGM.

A circular containing further details of the Transaction and a notice of the EGM will be despatched to the Shareholders as soon as practicable for the Shareholders' information on or around 14 January 2014.

As the Transaction involving the proposed provision of the Facilities Guarantees by the Company may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“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) situated at Floor 1 to 5, 81 Hubin West Road, Xiamen City, Fujian Province, PRC

“China Minsheng Bank”	China Minsheng Banking Corporation Limited (中國民生銀行股份有限公司)
“Borrower”	Xiamen Zhong Bao
“Company”	G. A. Holdings Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and if thought fit, to grant the Proposed Mandate to the Directors
“Facilities A”	Facilities A include but are not limited to a series of loans, notes, guarantees, and letters of credit that may be entered into by the Facilities A Lender and the Borrower
“Facilities A Agreements”	the facility agreements in respect of Facilities A that may be entered into by the Borrower and the Facilities A Lender
“Facilities A Guarantee Agreement”	the facility guarantee agreement proposed to be entered into by the Facilities A Lender and the Guarantor whereby the Guarantor provides facility guarantee to the Facilities A Lender in respect of the Facilities A borrowed by the Borrower from the Facilities A Lender
“Facilities A Lender”	China CITIC Bank Xiamen Branch
“Facilities Agreements”	the Facilities A Agreements and the Facilities B Agreements
“Facilities B”	Facilities B include but are not limited to a series of loans, notes, guarantees, and letters of credit that may be entered into by the Facilities B Lender and the Borrower
“Facilities B Agreements”	the facility agreements in respect of Facilities B that may be entered into by the Borrower and the Facilities B Lender
“Facilities B Guarantee Agreement”	the facilities guarantee agreement proposed to be entered into by the Facilities B Lender and the Guarantor whereby the Guarantor provides facility guarantee to the Facilities B Lender in respect of the Facilities B borrowed by the Borrower from the Facilities B Lender

“Facilities B Lender”	China Minsheng Bank
“Facilities Guarantee Agreements”	the Facilities A Guarantee Agreement and the Facilities B Guarantee Agreement
“Facilities Guarantees”	the guarantees to be provided by the Company under the Facilities A Guarantee Agreement and the Facilities B Guarantee Agreement
“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
“Guarantor”	Xiamen BMW
“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
“Lenders”	Facility A Lender and Facility B Lender
“PRC”	the People’s Republic of China
“Proposed Mandate”	the mandate to be granted in advance to the Directors to enter into the Facilities Guarantee Agreements and complete the Transaction by the Shareholders at the EGM
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the proposed provision of the Facilities Guarantees by the Company under the Facilities Guarantee Agreements
“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\$1.277 has been applied in this announcement. No representation is made that any amount in RMB or HK\$ was, could have been or could be converted at such rate or at any other rate or at all.

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

Hong Kong, 23 December 2013

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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