
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).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) take no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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)

**(I) MAJOR TRANSACTION – FACILITIES GUARANTEES UNDER
THE GUARANTEE AGREEMENT;
(II) RE-ELECTION OF DIRECTORS;
AND
(III) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of the Company (the “**EGM**”) to be held at 11:00 a.m. on Wednesday, 30 December 2015, at Unit 1203, 12th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong is set out on pages 30 to 31 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.

14 December 2015

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.

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DEFINITIONS

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

“BOC”	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
“CITIC Bank”	China CITIC Bank Xiamen Branch (中信銀行股份有限公司廈門分行)
“CMS 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
“December 2014 Circular”	the circular of the Company dated 24 December 2014 in relation to, among other things, the Previous Guarantee Agreement and the transactions contemplated thereunder
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened at 11:00 a.m. on Wednesday, 30 December 2015 to consider and if thought fit to approve the Guarantee Agreement and the transactions contemplated thereunder
“Facilities A”	means the series of loans, notes, guarantees, and letters of credit entered into by CITIC Bank and Xiamen Zhong Bao prior to 24 May 2015
“Facilities B”	means facilities include but are not limited to a series of loans, notes, guarantees and letters of credit entered into or may be entered into by CMS Bank and Xiamen Zhong Bao
“Facilities C”	means facilities include but are not limited to a series of loans, notes, guarantees and letters of credit entered into or may be entered into by BOC and Xiamen Zhong Bao
“Facilities Framework Agreements”	the New Facilities B Framework Agreement, the New Facilities C Framework Agreement and the Previous Facilities A Framework Agreement

DEFINITIONS

“Facilities Guarantee Agreements”	the New Facilities B Guarantee Agreement and the New Facilities C Guarantee Agreement
“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)
“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 18 November 2015 entered into 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
“January 2015 Announcement”	the announcement of the Company dated 23 January 2015 in relation to, among other things, the entering into of the Previous Facilities C Guarantee Agreement
“January 2015 EGM”	the extraordinary general meeting of the Company held on 13 January 2015, approving the Previous Guarantee Agreement
“January 2015 Mandate”	the mandate granted to the Directors pursuant to the Shareholders’ resolution passed at the January 2015 EGM to enter into the Previous Guarantee Agreement and to complete the transactions contemplated thereunder
“June 2015 Announcement”	the announcement of the Company dated 10 June 2015 in relation to, among other things, the entering into of the Previous Facilities B Guarantee Agreement
“Latest Practicable Date”	10 December 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Mr. Ma”	Mr. Ma Hang Kon, Louis, an executive Director, the chief financial officer and the company secretary of the Company

DEFINITIONS

“Mr. Zhang”	Mr. Zhang Xi, an executive Director
“Mr. Zhou”	Mr. Zhou Ming, an independent non-executive Director
“New Facilities B Framework Agreement”	the agreement to be entered into by CMS Bank 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 CMS Bank after the expiry of the Previous Facilities B Framework Agreement, and for the purpose of renewing the Previous Facilities B Framework Agreement
“New Facilities B Guarantee Agreement”	the facilities guarantee agreement to be entered into by CMS Bank and Xiamen BMW whereby Xiamen BMW shall provide a facility guarantee to CMS Bank in respect of the Facilities B to be borrowed by Xiamen Zhong Bao from CMS Bank
“New Facilities C Framework Agreement”	the agreement to be entered into by BOC 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 BOC after the expiry of the Previous Facilities C Framework Agreement, and for the purpose of renewing the Previous Facilities C Framework Agreement
“New Facilities C Guarantee Agreement”	the facilities guarantee agreement to be entered into by BOC and Xiamen BMW whereby Xiamen BMW shall provide a facility guarantee to BOC in respect of the Facilities B to be borrowed by Xiamen Zhong Bao from BOC
“November 2015 Announcement”	the announcement of the Company dated 18 November 2015 in respect of the Guarantee Agreement and the transactions to be contemplated thereunder
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Previous Facilities A Framework Agreement”	the framework agreement dated 14 March 2014 entered into by Xiamen Zhong Bao and CITIC Bank and expired in May 2015 which governed the terms of the facility agreements in respect of Facilities A
“Previous Facilities A Guarantee Agreement”	the facilities guarantee agreement entered into by CITIC Bank and Xiamen BMW on 14 March 2014 whereby Xiamen BMW agreed to provide a facility guarantee to CITIC Bank in respect of Facilities A borrowed by Xiamen Zhong Bao from CITIC Bank

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“Previous Facilities B Framework Agreement”	the framework agreement dated 2 June 2015 entered into by Xiamen Zhong Bao and CMS Bank expiring in June 2016 which governs the terms of the facility agreements in respect of Facilities B
“Previous Facilities B Guarantee Agreement”	the facilities guarantee agreement entered into by CMS Bank and Xiamen BMW on 2 June 2015 whereby Xiamen BMW agreed to provide a facility guarantee to CMS Bank in respect of Facilities B borrowed by Xiamen Zhong Bao from CMS Bank
“Previous Facilities C Framework Agreement”	the framework agreement dated 22 January 2015 entered into by Xiamen Zhong Bao and BOC expiring in January 2016 which governs the terms of the facility agreements in respect of Facilities C
“Previous Facilities C Guarantee Agreement”	the facilities guarantee agreement entered into by BOC and Xiamen BMW on 22 January 2015 whereby Xiamen BMW agreed to provide a facility guarantee to BOC in respect of Facilities C borrowed by Xiamen Zhong Bao from BOC
“Previous Guarantee Agreement”	the guarantee agreement dated 22 December 2014 between Xiamen BMW and Xiamen Zhong Bao, its principal terms are set out in the December 2014 Circular, which will expire on 31 December 2015
“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\$1.22 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. Choy Choong Yew (*Managing Director*)
Mr. Lin Ju Zheng
Mr. Tan Cheng Kim
Mr. Zhang Xi
Mr. Ma Hang Kon, Louis

Independent non-executive Directors:

Mr. Zhou Ming
Mr. Yin Bin
Ms. Song Qi Hong

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
No. 8 Hysan Avenue
Causeway Bay, Hong Kong

Head office in Singapore:

51 Goldhill Plaza #15-05
Singapore 308900

14 December 2015

To the Shareholders

Dear Sir or Madam,

**(I) MAJOR TRANSACTION – FACILITIES GUARANTEES UNDER
THE GUARANTEE AGREEMENT;
(II) RE-ELECTION OF DIRECTORS;
AND
(III) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**(I) MAJOR TRANSACTION – FACILITIES GUARANTEES UNDER THE GUARANTEE
AGREEMENT**

INTRODUCTION

Reference is made to the November 2015 Announcement in respect of the Guarantee Agreement.

LETTER FROM THE BOARD

Pursuant to the Guarantee Agreement, Xiamen BMW will provide the Facilities Guarantees, of a maximum aggregate amount of RMB 190 million (equivalent to approximately HK\$231.8 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.

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.

THE GUARANTEE AGREEMENT

1. The principal terms and conditions of the Guarantee Agreement

Reference is made to the November 2015 announcement. The Company's subsidiary, Xiamen BMW, entered into the Guarantee Agreement on 18 November 2015 whereby Xiamen BMW will during the period of two years from 1 January 2016 to 31 December 2017 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\$231.8 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

18 November 2015

Period

Two years from 1 January 2016 to 31 December 2017

Guarantee amount

The guarantee amount was arrived at the estimated maximum aggregate principal amount of banking facilities of RMB170 million and possible interests and charges in any events of default payment to be incurred by Xiamen Zhong Bao under the Facilities Framework Agreements in the ordinary course of its business and guaranteed by Xiamen BMW totaling of RMB190 million (equivalent to approximately HK\$231.8 million).

LETTER FROM THE BOARD

Please refer to the paragraphs headed “Reasons for and benefits of the Guarantee Agreement” and “Estimated maximum amount of interest and fees under the Facilities Guarantees” below in this circular for further details.

Fees, charges and security

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

Conditions

The Guarantee Agreement is conditional upon the Shareholders’ approval having been obtained at the EGM.

2. **Reasons for and benefits of the Guarantee Agreement**

The Group’s business model

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

As part of the Group’s business model since the Company’s listing in 2002, the Group has always entered into technical and cooperation agreements with distribution agents for its motor vehicle trading business since in the past, due to certain PRC laws and regulations, foreign companies were not allowed to engage in the business of trading motor vehicles directly in the PRC. The Group has entered into technical and cooperation agreements with local distributors whereas the Group shall provide technical expertise and management service to these distribution agents and they shall pay technical fee to the Group in return, based on the number of motor vehicles sold to the customers in the PRC. The Group had cooperated and entered into agreements with a PRC distributor from January 2000 for a term of 5 years, under which the Group should provide management consultation and technical assistance to such PRC distributor and its distributing agents for the promotion and maintenance of locally manufactured passenger vehicles, in exchange for technical fees. Similar agreements have been entered into between the Group and Xiamen Zhong Bao and its related companies (the “**Zhong Bao Group**”) since 2003 and Zhong Bao Group (including Xiamen Zhong Bao) are currently the only partners cooperating with the Group under the technical and cooperation agreements. Pursuant to the technical and cooperation agreements between the Group and Zhong Bao Group, the Group shall provide technical expertise, financial assistance and management service to Zhong Bao Group and Zhong Bao Group shall pay technical fee to the Group in return based primarily on the number of motor vehicles sold. During the year ended 31 December 2014, the said fees received by the Group from Zhong Bao Group in the total of HK\$26,304,000 contributed approximately 6.2% of the Group’s total revenue. Xiamen Zhong Bao was also one of the Group’s top five customers, contributing more than 8% of the Group’s total revenue during the year ended 31 December 2014. The Group sold auto parts of HK\$31,346,000 to and earned technical fee income of HK\$6,304,000 from Xiamen Zhong Bao.

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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 complementary to the ordinary and usual course of business of the Group.

The provision of the facilities guarantees under the Guarantee Agreement 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 and in view of no fees, charges or securities of any kind are required under the Guarantee Agreement, the Board considers the entry of the Guarantee Agreement promotes and maintains the business relationship with Xiamen Zhong Bao. As part of the Board's assessment on the credit risks in associated with Facility Guarantee, the Board, among other things, annually assesses Xiamen Zhong Bao's turnover of inventory and level of obsolete stock (by assessing the net realizable value and checking whether impairment are required) as well as assesses the ageing analysis of Xiamen Zhong Bao's debtors to ensure the recoverability of the debtors balance. Further details of the steps taken by the Board are set out in the paragraph headed "Financial Effect" in the Appendix I to this circular. To the best knowledge of the Company, Xiamen Zhong Bao has never been noted for any default in repayment. In light of the above, the Board is of the view that the said steps taken by the Company are sufficient to assess Xiamen Zhong Bao's credit risks and the credit risk in respect of the Xiamen Zhong Bao is small.

The Board considers that the terms of the Guarantee Agreement are fair and reasonable and the entering into of the Guarantee Agreement and the provision of the facilities guarantees under the Guarantee Agreement are in the interests of the Company and the Shareholders as a whole.

Facilities Guarantee Agreements

References are made to the December 2014 Circular, the January 2015 Announcement and the June 2015 Announcement. Background of the transaction, including the Group's business model and reasons for entering into the Previous Guarantee Agreement are set out in the paragraph headed "Reasons for and benefits of the Guarantee Agreement" in the letter from the Board of the December 2014 Circular.

Following the entering into of the Previous Guarantee Agreement in December 2014 and following the January 2015 EGM, Xiamen BMW, pursuant to the Previous Guarantee Agreement, (i) on 2 June 2015 entered into the Previous Facilities B Guarantee Agreement whereby Xiamen BMW agreed to provide a facility guarantee in favour of CMS Bank in respect of Facilities B, which include the principal of RMB50 million (equivalent to approximately HK\$61.0 million), interest and fees of the borrowings of Xiamen Zhong Bao under the Previous Facilities B Framework Agreement; and (ii) on 22 January 2015 entered into the Previous Facilities C Guarantee Agreement whereby Xiamen BMW agreed to provide a facility guarantee in favour of BOC in respect of Facilities C, which include the principal of RMB70 million (equivalent to approximately HK\$85.4 million), interest and

LETTER FROM THE BOARD

fees of the borrowings of Xiamen Zhong Bao under the Previous Facilities C Framework Agreement. The Previous Facilities B Guarantee Agreement and the Previous Facilities C Guarantee Agreement will expire in June 2016 and January 2016 respectively.

In respect of Facilities B and Facilities C, Xiamen Zhong Bao as the borrower is expected to renew the banking facilities with CMS Bank and will enter into: (i) the New Facility B Framework Agreement with CMS Bank; and (ii) the New Facility C Framework Agreement with BOC, after the expiry of the Previous Facilities B Framework Agreement and the Previous Facilities C Framework Agreement, respectively. Xiamen BMW will also be expected to guarantee the underlying banking facilities in line with the Group's business model and enter into the New Facilities B Guarantee Agreement and the New Facilities C Guarantee Agreement.

In respect of Facilities A with the principal amounted to RMB 50 million in total, Xiamen BMW was informed by Xiamen Zhong Bao that upon the expiry of the Previous Facilities A Framework Agreement in May 2015, Xiamen Zhong Bao has not renewed Facilities A with CITIC Bank. Xiamen Zhong Bao has confirmed to the Company that there has been no amount outstanding from Xiamen Zhong Bao since 24 May 2015 in respect of Facilities A and Xiamen Zhong Bao currently has no intention to renew Facilities A during the term of the Guarantee Agreement. Xiamen Zhong Bao has also confirmed that if Xiamen Zhong Bao obtains banking facilities from CITIC Bank during the term of the Guarantee Agreement, Xiamen Zhong Bao shall immediately notify the Company and the principal terms of the facilities framework agreement to be entered into shall be substantially the same as the Previous Facilities A Framework Agreement and the maximum amount to be guaranteed by Xiamen BMW shall be no more than RMB50 million. In the event that any guarantee is requested to be provided by Xiamen BMW, the relevant facility agreement between Xiamen Zhong Bao and CITIC Bank will be provided to the Company for approval before Xiamen BMW providing such guarantee. The Company will review the facility agreement before approving the same to ensure that the proposed principal terms are substantially the same and such framework agreement to be entered into will supersede all previous agreements. In case of any discrepancy, the Company will discuss and negotiate with Xiamen Zhong Bao and CITIC Bank prior to agreeing to provide the guarantee and entering into any formal agreement. In light of the two-year guarantee period (commencing from the settlement date) of Facilities A under the Previous Facilities A Guarantee Agreement, the guarantee given by Xiamen BMW, which include the principal of RMB50 million (equivalent to approximately HK\$61.0 million), interest and fees of the borrowings of Xiamen Zhong Bao under the Previous Facilities A Framework Agreement, shall subsist until the expiry of the said two-year guarantee period in May 2017.

The Previous Guarantee Agreement will expire on 31 December 2015. It is anticipated that the entry of the Guarantee Agreement, if approved by the Shareholders, will give the Directors the flexibility to during the term of the Guarantee Agreement guarantee Xiamen Zhong Bao's banking facilities to be incurred in its ordinary course of business in a maximum aggregate amount of RMB190 million (equivalent to approximately HK\$231.8 million) without having to seek Shareholders' approval for entering into guarantees expected to be required of Xiamen BMW as and when the underlying facilities agreements expire.

Details of the principal terms of the Facilities Framework Agreements are set out in the paragraph headed "Details of the Facilities Framework Agreements" below in this circular.

LETTER FROM THE BOARD

3. Aggregate amount guaranteed by Xiamen BMW in favour of Xiamen Zhong Bao as at 31 October 2015

As at 31 October 2015, the aggregate amount guaranteed by Xiamen BMW in favour of Xiamen Zhong Bao was RMB170 million (equivalent to approximately HK\$207 million). This amount is the total of:

- (1) the maximum principal amount of RMB120 million (equivalent to approximately HK\$146.4 million) in aggregate in respect of Facilities B and Facilities C, underlying the Previous Facilities B Guarantee Agreement and the Previous Facilities C Guarantee Agreement (under the terms of which Xiamen BMW has agreed to guarantee Facilities B and Facilities C respectively for a period of two years), as disclosed in the December 2014 Circular; and
- (2) the RMB50 million (equivalent to approximately HK\$61.0 million) guaranteed by Xiamen BMW in favour of Xiamen Zhong Bao in respect of Facilities A, underlying the Previous Facilities A Guarantee Agreement (under the terms of which Xiamen BMW has agreed to guarantee Facilities A for a period of two years after the settlement of the same, whereas in practice there has been no amount outstanding from Xiamen Zhong Bao since 24 May 2015).

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

The total estimated maximum exposure for Facilities A, Facilities B and Facilities C is approximately RMB190 million (equivalent to approximately HK\$231.8 million) based on the following assumptions and calculations:

(a) Assumptions

The calculation of the estimated maximum amount of interest and fees payable by the Group under the Facilities Framework Agreements 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 Facilities A, Facilities B and Facilities C is drawn by Xiamen Zhong Bao on the first day when the relevant facilities agreements are entered into and assuming that Facilities A has not been settled in full in May 2015.
- (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 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 2016 is approximately 7.5%, with reference to the actual bank loan rate used in the facilities obtained by Xiamen Zhong Bao in 2015 ranged from approximately 6.1% to approximately 7.2% and for the sake of prudence has taken into account the possible interest rate fluctuation of 0.3%.

LETTER FROM THE BOARD

(b) Calculation

The maximum exposure and liabilities under the Guarantee Agreement is calculated based on the following:

	Facilities A <i>(Note 1)</i>	Facilities B	Facilities C	
Principal (A)	RMB50 million	RMB50 million	RMB70 million	
Loan period	1 year	1 year	1 year	
Maximum loan interest (B) <i>(Note 2)</i>	RMB3.75 million	RMB3.75 million	RMB5.25 million	
Guarantee period	2 years	2 years	2 years	
Maximum penalty (C) <i>(Note 3)</i>	RMB1.88 million	RMB1.88 million	RMB2.63 million	
Facility fee (D) <i>(Note 4)</i>	RMB0.15 million	RMB0.15 million	RMB0.21 million	
			Total of Facilities A, Facilities B and Facilities C	
	Facilities A	Facilities B	Facilities C	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

Notes:

- (1) *To the best knowledge of the Directors, there has been no amount outstanding from Xiamen Zhong Bao in respect of Facilities A since 24 May 2015, however, taking into account the two-year guarantee period (commencing from the settlement date) of Facilities A under the Previous Facilities A Guarantee Agreement, the guarantee given by Xiamen BMW shall subsist until the expiry of the said two-year guarantee period in May 2017.*
- (2) *Assuming the maximum market bank loan rate is approximately 7.5%.*
- (3) *Means the damages of the banks in relation to the borrower's breach of the facility agreement, calculated at 50% of the maximum loan interest.*
- (4) *Means the banks' fees and expenses in relation to the borrower's breach of the facility agreement, such as fees of the professional parties and administration fees, calculated at 0.3% of loan principal.*

The Company will re-comply with the relevant requirements under Chapter 19 of the GEM Listing Rules including applicable announcement and shareholders' approval requirements, if the annual cap in respect of the aggregate amount guaranteed by Xiamen BMW under the Guarantee Agreement (which is RMB190 million) is exceeded, or any of the annual cap in respect of the amount guaranteed by Xiamen BMW in respect of each of Facilities A, Facilities B and Facilities C under relevant guarantee agreements (which is RMB55.78 million, RMB 55.78 million and RMB 78.09

LETTER FROM THE BOARD

million respectively) is exceeded, or when there is anything that came into the Company's knowledge which will lead to any material change to the parameter used in the above assumptions and calculation in determining the maximum exposure for Facilities A, Facilities B and Facilities C.

5. Details of the New Facilities Framework Agreements

Xiamen Zhong Bao, as the borrower, is expected to enter into the New Facilities B Framework Agreement and the New Facilities C Framework Agreement with CMS Bank and BOC respectively. It is anticipated that the New Facilities B Framework Agreement and the New Facilities C Framework Agreement shall be substantially the same terms with the Previous Facilities B Framework Agreement and the Previous Facilities C Framework Agreement respectively, which shall adopt the banks' standard form of facility framework agreement and shall contain the same principal terms with the previous agreement (except for period of the facility). The Company will review the agreements to be provided by the banks before approving the same to ensure they contain the same principal terms. In case of any discrepancy, the Company will discuss and negotiate with the banks before entering into the same. The Company will also ensure that the New Facilities B Framework Agreement and the New Facilities C Framework Agreement will supersede the respective previous agreements.

Set out below are the proposed principal terms of the New Facilities B Framework Agreement and the New Facilities C Framework Agreement. The principal terms of the Previous Facilities A Guarantee Agreement, as disclosed in the paragraph headed "Details of the New Facilities Framework Agreements – The New Facilities A Framework Agreement" in the December 2014 Circular, are also set out below.

The New Facilities B Framework Agreement

Parties

- (a) Xiamen Zhong Bao
- (b) CMS Bank

Proposed 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 CMS Bank.
- (3) The usage period of the maximum aggregated credit amount is 1 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.

LETTER FROM THE BOARD

- (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 CMS Bank shall be determined in the contracts to be agreed between Xiamen Zhong Bao and CMS Bank.
- (6) CMS Bank, 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, CMS Bank may also adjust the loan period of Facilities B.
- (7) CMS Bank 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 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, CMS Bank 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) BOC

Proposed 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 BOC.
- (3) The usage period of the maximum aggregated credit amount is 1 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 BOC shall be determined in the contracts to be agreed between Xiamen Zhong Bao and BOC.

LETTER FROM THE BOARD

- (6) BOC, 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, BOC may also adjust the loan period of Facilities C.
- (7) BOC 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 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, BOC may terminate the use of the credit limit under the New Facilities C Framework Agreement.

Previous Facilities A Framework Agreement

Parties

- (a) Xiamen Zhong Bao
- (b) CITIC Bank

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 CITIC Bank.
- (3) The usage period of the maximum aggregated credit amount is 1 year which commences from the date of entering into the Previous 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 CITIC Bank shall be determined in the contracts to be agreed between Xiamen Zhong Bao and CITIC Bank.
- (6) CITIC Bank, at any time it chooses to, has the rights to investigate into the use of the credit limit as specified in the relevant framework agreement to be entered in relation to Facilities A. Under certain circumstances, CITIC Bank may also adjust the loan period of Facilities A.

LETTER FROM THE BOARD

- (7) CITIC Bank 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 Facilities A for a period of two years.

INFORMATION OF THE PARTIES

Xiamen BMW and the Company

Xiamen BMW, a subsidiary of the Company, is principally engaged in the provision of repair and maintenance and car-related technical services for high-end automobiles. The Company is an investment holding company. The Group is principally engaged in the distribution of motor vehicles, provision of car-related technical services, servicing of motor vehicles and sales of auto parts.

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.

The Lenders to the Facilities

CITIC Bank, the lender to 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.

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

BOC, the lender to 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, CITIC Bank, CMS Bank and BOC are third parties independent of the Company and the connected persons of the Company.

(II) RE-ELECTION OF DIRECTORS

Mr. Zhang was appointed as an executive Director with effect from 23 September 2015. Mr. Ma and Mr. Zhou were appointed as an executive Director and an independent non-executive Director on 16 November 2015 respectively. Pursuant to Article 83 of the articles of association of the Company, each of Mr. Zhang, Mr. Ma and Mr. Zhou shall hold office only until the EGM and shall be eligible for re-election at the EGM.

LETTER FROM THE BOARD

The biographical details of Mr. Zhang, Mr. Ma and Mr. Zhou are set out below:

Mr. Zhang

Mr. Zhang, aged 32, is an executive Director and the deputy general manager of Xiamen BMW Automobiles Service Co Ltd, a wholly-owned subsidiary of the Company. Prior to joining the Group, Mr. Zhang has worked in international high-end automobiles companies as key management, mainly responsible for overseeing operational efficiency and strategic planning. Mr. Zhang holds a Bachelor degree of Information Management System from Beihang University (北京航空航天大学) and a Master degree in International Relations from the University of International Relations (國際關係學院).

The Company entered into a service agreement with Mr. Zhang with a term of three years commencing on 23 September 2015. He will not receive any director's fee or other emolument for his role as an executive Director.

As at the Latest Practicable Date, save as disclosed above, Mr. Zhang has confirmed to the Company that (i) he did not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company (which have the meanings ascribed to them respectively under the GEM Listing Rules); (ii) he did not have any other interest in the Shares within the meaning of Part XV of the SFO; (iii) he did not hold other positions in the Company or in other members of the Group; and (iv) he did not have any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

Mr. Ma

Mr. Ma, aged 52, is an executive Director, the chief financial officer and the company secretary of the Company and the authorised representative of the Company under the GEM Listing Rules. Mr. Ma has over 30 years of working experience, mainly in professional services in Hong Kong, petrochemical, electronics and resources industries in the United States and in the Asia Pacific region. He also has extensive experience in managing businesses in listed companies both in Hong Kong and in the United States. Mr. Ma is a member of each of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Montana Board of Public Accountants and the Institute of Chartered Secretaries and Administrators. He graduated from the Kellogg School of Business, Northwestern University in the United States, the Hong Kong University of Science and Technology and the Hong Kong Polytechnic (the predecessor of The Hong Kong Polytechnic University).

Mr. Ma was an executive director and the chief executive officer of Merdeka Financial Services Group Limited (previously known as CCT Resources Holdings Limited and Tradeeasy Holdings Limited) (stock code: 8163), a company listed on the GEM, from October 2008 to January 2010 and from November 2010 to October 2013. Mr. Ma is also a director of various private companies.

LETTER FROM THE BOARD

The Company entered into a service agreement with Mr. Ma with a term of three years commencing on 16 November 2015. Mr. Ma's emoluments from the Company comprise salaries and rental reimbursement in the total amount of HK\$1,800,000 per annum and discretionary bonuses which are determined with reference to his duties and responsibilities with the Group, the Group's performance as well as the market benchmark.

As at the Latest Practicable Date, save as disclosed above, Mr. Ma has confirmed to the Company that (i) he did not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company (which have the meanings ascribed to them respectively under the GEM Listing Rules); (ii) he did not have any other interest in the Shares within the meaning of Part XV of the SFO; (iii) he did not hold other positions in the Company or in other members of the Group; and (iv) he did not have any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

Mr. Zhou

Mr. Zhou, aged 42, is an independent non-executive Director, the chairman of Audit Committee and the Remuneration Committee of the Company. Mr. Zhou graduated from China University of Political Science and Law (中國政法大學) and holds a master degree in law from Peking University Law School (北京大學法學院). Mr. Zhou joined Global Law Office (Beijing) in 2001 and was admitted as a partner in 2007.

The Company entered into a letter of appointment with Mr. Zhou with a term of three years commencing on 16 November 2015. Mr. Zhou's remuneration as an independent non-executive Director is HK\$220,000 per annum, which is determined by the Board with reference to his workload and responsibilities.

As at the Latest Practicable Date, save as disclosed above, Mr. Zhou has confirmed to the Company that (i) he did not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company (which have the meanings ascribed to them respectively under the GEM Listing Rules); (ii) he did not have any other interest in the Shares within the meaning of Part XV of the SFO; (iii) he did not hold other positions in the Company or in other members of the Group; and (iv) he did not have any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, there was no further information in relation to the re-election of each of Mr. Zhang, Mr. Ma and Mr. Zhou that need to be brought to the attention of the Shareholders and there was no further information which was required to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules.

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 in relation to 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 11:00 a.m. on Wednesday, 30 December 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 and the transactions contemplated thereunder and the re-election of Directors. A notice convening the EGM is set out on pages 30 to 31 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 Monday, 28 December 2015 to Wednesday, 30 December 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, 24 December 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 and the re-election of each of Mr. Zhang, Mr. Ma and Mr. Zhou as Directors are 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 Boon Cha
Chairman

FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the nine-month period ended 30 September 2015 and the years ended 31 December 2012, 2013 and 2014 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 2015 published on 13 November 2015 (pages 2-9) (<http://www.hkexnews.hk/listedco/listconews/GEM/2015/1113/GLN20151113225.pdf>);
- annual report of the Company for the year ended 31 December 2014 published on 27 March 2015 (pages 32–101) (<http://www.hkexnews.hk/listedco/listconews/GEM/2015/0327/GLN20150327055.pdf>); and
- 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>); and
- annual report of the Company for the year ended 31 December 2012 published on 26 March 2013 (pages 30–87) (<http://www.hkexnews.hk/listedco/listconews/GEM/2013/0326/GLN20130326019.pdf>).

INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2015, 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\$203.4 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 2015:

	<i>HK\$'000</i>
Obligations under finance leases	16,851
Bank loans	186,547
	<hr/>
	203,398
	<hr/> <hr/>

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	16,851	–	16,851	14,800	2,051	16,851
Bank loans	<u>45,008</u>	<u>141,539</u>	<u>186,547</u>	<u>164,569</u>	<u>21,978</u>	<u>186,547</u>
	<u>61,859</u>	<u>141,539</u>	<u>203,398</u>	<u>179,369</u>	<u>24,029</u>	<u>203,398</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 2015, the Group's obligations under finance leases of approximately HK\$14.8 million are guaranteed by the Company.

As at 31 October 2015, the Group's bank loans of approximately HK\$24.0 million are secured by the Group's bank deposit of approximately HK\$6.1 million, Zhong Bao Group's certain assets, and guaranteed by Zhong Bao Group companies.

As at 31 October 2015, the Group's bank loans of approximately HK\$21.0 million are secured by the Group's bank deposit of approximately HK\$6.3 million and guaranteed by a group company and a former director of the Company.

As at 31 October 2015, the Group's bank loans of approximately HK\$110.5 million are guaranteed by the Company, certain group companies, a director and a former director of the Company.

As at 31 October 2015, the Group's bank loans of approximately HK\$9.1 million are guaranteed by Zhong Bao Group companies.

Pledged deposits

As at 31 October 2015, the Group's bank deposits of approximately HK\$10.4 million are pledged in respect of providing security to suppliers.

As at 31 October 2015, the Group's bank deposits of approximately HK\$12.4 million are pledged to banks in respect of the banking facilities granted to the Group.

Contingent liabilities and guarantees

As at 31 October 2015, the Group had the following contingent liabilities and guarantees in the ordinary course of business:

Guarantees for bank loans to Xiamen Zhong Bao:	RMB170 million
	(equivalent to approximately HK\$207 million)

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\$231.8 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\$231.8 million) for the principal amount guaranteed under the Guarantee Agreement, 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 plant and equipment 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 2014, being the date to which the latest published audited financial statements of the Company were made up.

FINANCIAL AND TRADING PROSPECTS

Despite the slowdown in economic growth and the expected tougher competition in the automobile market in the PRC, the Group recorded a steady growth in total revenue and satisfactory performance for the nine months ended 30 September 2015. Looking ahead, the Group believes that the China's automobile market will become more mature and consumption will be more rational which favor the after-sale and value-added service for automobile business. On the other hand, the Group is taking cautious measures on cost control for effective marketing and efficient operation with the sluggish sales market of ultra-luxury automobiles in the PRC.

Nevertheless, as new models of smaller-size cars with enhanced features would be launched by the car makers that the Group mainly served later this year, the increasing trend in sales of motor vehicles and after-sales service income will be resumed after some significant consolidation and adjustment in the market and the Group result is expected to be prudently optimistic this year.

The Group strive for growth through sustaining the developments of our core and car rental businesses as well as seeking dynamic expansion through acquisitions or joint ventures with existing business partners.

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
		Family Interest	Corporate Interest		
Loh Boon Cha	Deemed interest	32,676,320 (Note)	45,284,000 (Note)	77,960,320	16.37%

Note: Out of the 77,960,320 Shares deemed to be interested by Mr. Loh Boon Cha: (i) 45,284,000 Shares are held by Loh & Loh Construction Group Ltd. (which is interested as to 64% by Mr. Loh Nee Peng, the son of Mr. Loh Boon Cha, and 21% by Mr. Loh Boon Cha respectively); and (ii) 32,676,320 Shares are held by Big Reap Investment Limited (which 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
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 1</i>)	72,047,085	15.13%
Loh Nee Peng	Interest of a controlled corporation (<i>Note 2</i>)	77,960,320	16.37%
Loh & Loh Construction Group Ltd.	Beneficial owner (<i>Note 2</i>)	45,284,000	9.51%
Big Reap Investment Limited	Beneficial owner	32,676,320	6.86%

Notes:

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

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 three independent non-executive Directors, namely, Mr. Zhou (chairperson), Mr. Yin Bin and Ms. Song Qi Hong. 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. Zhou

Please refer to the paragraph headed "Re-election of Directors – Mr. Zhou" in the Letter From the Board of this circular for the biographical information of Mr. Zhou.

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.

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 2014, 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 Previous Guarantee Agreement;
- (b) the Previous Facilities B Guarantee Agreement; and
- (c) the Previous Facilities C Guarantee Agreement.

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 Wednesday, 30 December 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 2012, 2013 and 2014 and the third quarterly report of the Company for the nine months ended 30 September 2015; and
- (d) this circular.

GENERAL INFORMATION

- (a) The company secretary of the Company is Mr. Ma, being a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Montana Board of Public Accountants and the Institute of Chartered Secretaries and Administrators.
- (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 11:00 a.m., on Wednesday, 30 December 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 14 December 2015 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 RESOLUTIONS

1. **“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 is 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.”
2. **“THAT** Mr. Zhang Xi be and is hereby re-elected as an executive director of the Company.”
3. **“THAT** Mr. Ma Hang Kon, Louis be and is hereby re-elected as an executive director of the Company.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. “**THAT** Mr. Zhou Ming be and is hereby re-elected as an independent non-executive director of the Company.”

By order of the Board
G.A. Holdings Limited
Loh Boon Cha
Chairman

Hong Kong, 14 December 2015

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 Monday, 28 December 2015 to Wednesday, 30 December 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 Wednesday, 30 December 2015, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s share register in Hong Kong, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Thursday, 24 December 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.