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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your 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, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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 disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**G.A. HOLDINGS LIMITED**

**G.A. 控股有限公司**

*(incorporated in the Cayman Islands with limited liability  
and carrying on business in Hong Kong under the trading name of  
German Automobiles International Limited)*

### **GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

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This circular, for which the directors of G.A. Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of posting.

28th March, 2003

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## CHARACTERISTICS OF GEM

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks rising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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## LETTER FROM THE BOARD

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### **G.A. HOLDINGS LIMITED**

### **G.A. 控股有限公司**

*(incorporated in the Cayman Islands with limited liability  
and carrying on business in Hong Kong under the trading name of  
German Automobiles International Limited)*

*Executive Directors:*

Mr. Loh Kim Her (*Managing Director*)

Mr. Chan Hing Ka, Anthony

Mr. Loh Nee Peng

*Non-executive Directors:*

Mr. Goh Chee Wee (*Chairman*)

*Independent Non-executive Directors:*

Mr. Lee Kwok Yung

Ms. Lam So Ying

*Registered Office:*

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681GT

George Town

Grand Cayman

British West Indies

*Principle place of business  
in Hong Kong:*

Room 2205B, 22nd Floor

9 Queen's Road Central

Hong Kong

*Head office in Singapore:*

#02-01 Atland House

200 Bukit Timah Road

Singapore 229862

28th March, 2003

*To the shareholders of the Company*

Dear Sir and Madam,

### **GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

#### **INTRODUCTION**

The purpose of this circular is to give you information relating to the ordinary resolutions to approve the granting of general mandates to the directors of the Company (the "Directors") to issue and repurchase shares of the Company to be proposed at the annual general meeting of the Company to be held on 30th April, 2003 (the "Annual General Meeting").

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## LETTER FROM THE BOARD

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### GENERAL MANDATES

At the Annual General Meeting, separate ordinary resolutions will be proposed to grant to the Directors general and unconditional mandates (collectively the “General Mandates”) to:

- (i) repurchase shares representing up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution (the “Repurchase Mandate”); and
- (ii) allot and issue share representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution;
- (iii) add to the general mandate for issuing shares set out in (ii) above the number of shares repurchased by the Company pursuant to the Repurchase Mandate.

The General Mandate, if granted, will continue in force until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law (Revised) of the Cayman Islands or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of such authority by an ordinary resolution of the shareholders of the Company in general meeting.

An explanatory statement containing all the relevant information necessary to enable the shareholders of the Company to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate is set out in the Appendix to this circular.

### ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting was dispatched to the shareholders of the Company together with the circular. At the Annual General Meeting, resolutions relating to the General Mandates will be proposed as ordinary resolutions for your consideration and approval.

A form of proxy for the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the form of proxy to the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the meeting. The completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors are of the opinion that the proposals referred to above are in the best interests of the Company and recommend you to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of the board of directors  
**G.A. Holdings Limited**  
**Loh Kim Her**  
*Managing Director*

This is an explanatory statement given to all the shareholders of the Company relating to an ordinary resolution to be proposed at the forthcoming Annual General Meeting approving the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 and other provisions of the GEM Listing Rules.

## **1. EXERCISE OF THE REPURCHASE MANDATE**

As at 27th March, 2003, being the latest practicable date for ascertaining certain information prior to the printing of this circular (the “Latest Practicable Date”), there were 400,000,000 ordinary shares of HK\$0.10 each of the Company (the “Shares”) in issue. Assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the exercise of the Repurchase Mandate in full could result in up to a maximum of 40,000,000 Shares being repurchased by the Company during the period up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law (Revised) of the Cayman Islands or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the shareholders of the Company in general meeting, whichever occurs first.

## **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from the shareholders of the Company to repurchase Shares on the Stock Exchange. Repurchases of Shares will only be made if the Directors believe that such repurchases will benefit the Company and its shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, may lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

## **3. FUNDING OF REPURCHASES**

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the GEM Listing Rules and the applicable laws of the Cayman Islands. The Company may not repurchase Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange in force from time to time.

#### **4. IMPACT ON WORKING CAPITAL OR GEARING LEVEL**

There might be a material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

#### **5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the memorandum and articles of association of the Company, the GEM Listing Rules and the applicable laws of the Cayman Islands.

#### **6. DIRECTORS AND CONNECTED PERSONS**

None of the Directors nor, to the best their knowledge having made all reasonable enquiries, any of their associates (as defined in the GEM Listing Rules) has any present intention, if the Repurchase Mandate is approved by shareholders, to sell Shares to the Company or its subsidiaries in the event the Repurchase Mandate is approved by the shareholders of the Company.

No connected person (as defined in the GEM Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to so, in the event the Repurchase Mandate is approved by the shareholders of the Company.

#### **7. TAKEOVERS CODE**

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a shareholder, or a group of shareholders acting in concert, depending on the level of increase in the shareholder's interest, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Loh Kim Her, Mr. Chan Hing Ka, Anthony and Mr. Loh Nee Peng, who are the controlling shareholders of the Company, were interested in an aggregate of 141,831,680 Shares, representing approximately 35.46% of the issued share capital of the Company. In the event that the Directors exercised in full the power to repurchase Shares in accordance with the Repurchase Mandate, the interests of Mr. Loh Kim Her, Mr. Chan Hing Ka, Anthony and Mr. Loh Nee Peng in the Company would be increased to approximately 39.40% of the issued share capital of the Company and will become obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences that would arise under the Takeovers Code as a result of any repurchases of Shares under the Repurchase Mandate. As at the Latest Practicable Date, the Company has no intention to exercise the Repurchase Mandate to such an extent that a mandatory offer under the Takeovers Code is required.

8. SHARE REPURCHASES MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) since the date of listing its Shares on GEM on 17th June, 2002.

9. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous nine months since the listing of the Shares on GEM on 17th June, 2002 and before the printing of this circular were as follows:

	Price per Share	
	Highest	Lowest
	HK\$	HK\$
June 2002*	0.750	0.350
July 2002	0.500	0.340
August 2002	0.400	0.250
September 2002	0.295	0.243
October 2002	0.275	0.220
November 2002	0.246	0.232
December 2002	0.232	0.219
January 2003	0.250	0.215
February 2003	0.350	0.290

*\* The Company's Shares were listed on GEM on 17th June, 2002.*