

*The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, 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 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)*

**DISCLOSURE  
PURSUANT TO RULE 17.16 OF THE GEM LISTING RULES  
REGARDING ADVANCES TO AN ENTITY**

Pursuant to Rule 17.16 of the GEM Listing Rules, a disclosure obligation arises when the relevant advance to an entity from the Group increases from previously disclosed by an amount equivalent to 10% or more than the NAV of the Group of approximately S\$20,207,000 as at 31st December, 2002. The Board announces that the total advances, guarantees and receivables provided to and due from the NAGC Group increased from a total of approximately S\$19,692,000 as at 31st December, 2002 as disclosed in the Group's latest annual report dated 25th March, 2003 to a total of approximately S\$22,504,000 as at 31st March, 2003. The increase represented approximately 13.9% of the NAV of the Group.

Pursuant to Rules 17.16 of the GEM Listing Rules, a disclosure obligation arises when the relevant advance to an entity from G.A. Holdings Limited (the “Company”) and its subsidiaries (the “Group”) increases from previously disclosed by an amount equivalent to 10% or more than the net tangible assets of the Group of approximately S\$20,207,000 as at 31st December, 2002 (“NAV”). The Board announces that the total advances, guarantees and receivables provided to and due from NAGC, its subsidiaries and related companies in the PRC (collectively the “NAGC Group”) increased from a total of approximately S\$19,692,000 as at 31st December, 2002 as disclosed in the Group's latest annual report dated 25th March, 2003 to a total of approximately S\$22,504,000 as at 31st March, 2003. The increase represented approximately 13.9% of the NAV of the Group.

The details of transactions to NAGC Group which are of trading nature and remain outstanding as at 31st March, 2003 are announced as follows:

The trade receivables due from NAGC Group as at 31st March, 2003 amounted to S\$3,775,000 (31st December, 2002: S\$2,755,000). Out of which, approximately S\$2,148,000 (31st December, 2002: S\$1,454,000) was technical fee arisen from provision of technical fee to NAGC. The remaining of approximately S\$1,627,000 (31st December, 2002: S\$1,301,000) was management fee charged on provision of management consulting and technical expertise to three car rental sub-licensees. Approximately S\$542,400 (31st December, 2002: S\$434,000)

was due from each of the sub-licensees. The three sub-licensees include Beijing China National Automotive Anhua Service Co., Ltd., (a wholly owned subsidiary of NAGC), Shanghai China National Automotive Anhua Automobiles Services Co., Ltd. (a company of which 90% of its interest is owned by NAGC) and Guangzhou China National Automotive Anhua Automobiles Services Co., Ltd. (a company of which 90% of its interest is owned by NAGC). The trade receivables due from NAGC were unsecured, interest free and repayable within 5 months. The trade receivables were made under normal commercial terms and in the ordinary course of business of the Group.

The prepaid rental expenses advanced to China National Automotive Anhua Hertz Services Centre Co., Ltd. ("CNA Anhua (Hertz)"), a wholly owned subsidiary of NAGC, and Jin Tian Cheng Development Co., Ltd. ("Jin Tian Cheng"), a company of which NAGC holds 10% of its shareholding, as at 31st March, 2003, the details of which were disclosed in the prospectus of the Company dated 10th June, 2002, amounting to approximately S\$7,557,000 (*31st December, 2002: S\$7,557,000*) and S\$1,390,000 (*31st December, 2002: S\$1,429,000*) respectively, are unsecured, interest free and are amortized over 50 years and 20 years from the date of completion of the developments respectively. The prepaid rental expenses of S\$7,557,000 advanced to CNA Anhua (Hertz) was for the development of land and building for use as motor vehicles showrooms, service centres, auto parts factories and other related facilities in Beijing and Fujian Province. All land title certificates and ownership of facilities will belong to CNA Anhua (Hertz), while the Group will have free use of such facilities for 50 years from the date of completion of the developments. The development in Beijing in respect of prepaid rental expense of approximately S\$4,113,000 (*31st December, 2002: S\$4,113,000*) was completed in December, 2001 and Fujian Province development in respect of prepaid rental expense of approximately of S\$3,444,000 (*31st December, 2002: S\$3,444,000*) is expected to be completed by July 2003. The prepaid rental expenses of S\$1,390,000 advanced to Jin Tian Cheng was for the development for the motor vehicle maintenance and service centre in Fuzhou Municipality of Fujian Province. All the land title certificates and ownership of facilities will belong to Jin Tian Cheng while the Group will have use of such facilities for a nominal consideration of S\$2,150 (RMB10,000) per month for 20 years from the date of completion of the development. The development is expected to start construction in July 2003.

The other receivables due from CNA Anhua (Hertz) as at 31st March, 2003, amounting to approximately S\$549,000 (*31st December, 2002: S\$505,000*). Out of the total of S\$549,000, the amount of S\$337,000 (RMB1,516,000) was paid for the Xiamen development land title of the service centre in Xiamen, that was secured in August 2002. The balance amount of S\$212,000 was the payment made on behalf of CNA Anhua (Hertz) for the auto parts purchased in Hong Kong and the PRC. The receivables were unsecured, interest free and repayable in or before June 2003.

Approximately S\$7,478,000 guarantees (*31st December, 2002: S\$7,446,000*) were provided to a bank in respect of banking facilities granted to Beijing China Automotive Anhua Spare Parts Ltd. The bank agreed to unconditionally release the above guarantees and the legal procedures are in progress. The guarantees were for the banking facilities granted for the use in car rental business by the three sub-licensees of the Group, namely Beijing China National Automotive Anhua Service Co. Ltd., (a wholly owned subsidiary of NAGC), Shanghai China National Automotive Anhua Automobiles Services Co. Ltd., (a company of which 90% of its interest is owned by NAGC), and Guangzhou China National Automotive Anhua Automobiles Services Co. Ltd., (a company of which 90% of its interest is owned by NAGC). The Group does not have any security or receive any considerations from Beijing China Automotive Anhua Spare Parts Ltd. or NAGC by giving such guarantees.

Approximately S\$1,755,000 (31st December, 2002: Nil) were advances to 3 car rental sub-licensees, namely Beijing China National Automotive Anhua Service Co., Ltd., (a wholly owned subsidiary of NAGC), Shanghai China National Automotive Anhua Automobiles Services Co., Ltd. (a company of which 90% of its interest is owned by NAGC) and Guangzhou China National Automotive Anhua Automobiles Services Co., Ltd. (a company of which 90% of its interest is owned by NAGC), in Beijing, Shanghai and Guangzhou for car rental operations. These advances were unsecured, interest free and repayable on or before 31st December, 2003.

Save as disclosed above, no advance, financial assistance nor guarantee to an entity or entities was made after 31st December, 2002 which would give rise to disclosure obligation pursuant to Rule 17.16 of the GEM Listing Rules.

By order of the Board  
**G.A. Holdings Limited**  
**Loh Kim Her**  
Managing Director

Hong Kong, 7th May, 2003

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquires, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement 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 announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the "Latest Company Announcements" page on the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the day of its posting.*