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G.A. HOLDINGS LIMITED

G.A. 控股有限公司

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

Stock Code: 8126

DELAY OF RELEASE OF GUARANTEES

The Board would like to inform the shareholders in relation to the delay of the release of certain guarantees given by the Directors to secure the banking facilities of the Group or its business partner. Such guarantees should have been released prior to or upon the Listing but the release of guarantees were completed in June 2004. The particulars and the reasons for the delay of the release of the guarantees are set out in this announcement.

The delay of the release of the guarantees contradicts with the disclosure in the Prospectus which states that the guarantees would be released prior to or upon the Listing. The Directors consider that the disclosure in the Prospectus was made based on the written consents of the banks to release the guarantees received before the Listing and their bona fide understanding from the banks at the time. The Board was aware of the delay of the release of the guarantees after the Listing. However, the Board was of the view that the delay in the release of the guarantees had no harm to the Company and its shareholders because the purpose of the guarantees was to secure banking facilities for the benefit of the Group or its business partner. Therefore, the delay was not considered a price-sensitive matter which required a public announcement be made pursuant to rule 17.10 of the GEM Listing Rules. Besides, the Board has disclosed its progress in the release of the guarantees in the 2002 annual report of the Company. Accordingly, the Board considers that it has taken steps to inform the shareholders of the Company about the delay of the release of the guarantees which is, in the view of the Board, not a price-sensitive matter. The Stock Exchange is looking into the matter, and reserves its right to take follow-up action as may be appropriate.

The board (the “Board”) of directors (the “Directors”) of G.A. Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) would like to inform the shareholders in relation to the delay of the release of certain guarantees given by the Directors to secure the banking facilities of the Group or its business partner. Such guarantees should have been released prior to or upon listing of the Company on GEM (the “Listing”) as mentioned in the prospectus of the Company dated 10 June 2002 (the “Prospectus”).

BACKGROUND

Reference is made to the paragraphs headed “Financial guarantees provided to third parties” under the section headed “Risk Factors” and “Connected Transactions” under the section headed “Business of the Group” of the Prospectus. Prior to the Listing, the Directors had provided guarantees in favour of banks who had granted credit facilities to the Group or its business partner. No security over the assets of the Group has been granted to the Directors in return for their provision of guarantees.

Prior to the Listing, each of the banks had confirmed in writing that it would consider to release the guarantees after the Listing. After the Listing, the Group has been working closely with the banks to procure the release of the guarantees. The following table summarises the particulars of the credit facilities, the guarantees and the release dates of the guarantees:

Facility No.	Bank	Type of Facility	Facility Amount	Name of Guarantors	Date of Release
1	Malayan Banking Berhad	Property mortgage	US\$420,000 (equivalent to approximately HK\$3,259,200)	– Mr. Chan Hing Ka Anthony (<i>note 1</i>) – Mr. Loh Nee Peng (<i>note 2</i>)	4 Apr 2003
2	Overseas Union Bank Limited	Property mortgage	US\$147,000 (equivalent to approximately HK\$1,140,720)	– Mr. Chan Hing Ka Anthony – Mr. Loh Kim Her (<i>note 3</i>) – Mr. Loh Nee Peng	7 Jan 2004
3	Oversea-Chinese Banking Corporation Limited	Overdrafts, letter of credits and/or trust receipts and shipping guarantees	S\$5,500,000 (equivalent to approximately HK\$25,135,000)	– Mr. Chan Hing Ka Anthony – Mr. Loh Kim Her – Mr. Loh Nee Peng – Mr. Chan Kung Git (<i>note 4</i>) – Mr. Loh Boon Cha (<i>note 5</i>) – L & B Holdings Pte Ltd. (<i>note 6</i>) – Eng Kheng (S) Pte Ltd. (<i>note 7</i>)	3 June 2004
4	Commerzbank Aktiengesellschaft	Term Loan 2 Bank guarantees	JPY767,783,319 (equivalent to approximately HK\$56,048,182) DEM380,000 (equivalent to approximately HK\$1,907,600) & S\$10,848 (equivalent to approximately HK\$49,534)	– Mr. Chan Hing Ka Anthony – Mr. Loh Kim Her – Mr. Loh Nee Peng – Mr. Chan Kung Git – Mr. Loh Boon Cha – L & B Holdings Pte Ltd. – Eng Kheng (S) Pte Ltd.	2 Dec 2003 2 Dec 2003

Facility No.	Bank	Type of Facility	Facility Amount	Name of Guarantors	Date of Release
5	Bank of China	Overdrafts, letter of credits and/or trust receipts and shipping guarantees	S\$10,500,000 (equivalent to approximately HK\$47,945,205)	<ul style="list-style-type: none"> – Mr. Chan Hing Ka Anthony – Mr. Chan Kung Git – Harley Investment Pte Ltd. (<i>note 8</i>) – Ivory Investment Pte Ltd. (<i>note 9</i>) 	13 Oct 2003
6	Industrial and Commercial Bank of China	Trade finance	US\$5,000,000 (equivalent to approximately (HK\$38,800,000))	<ul style="list-style-type: none"> – Mr. Chan Hing Ka Anthony – Mr. Loh Kim Her 	19 Sept 2002
7	Development Bank of Singapore (<i>note 10</i>)	Term Loan, letter of credits, trust receipts	US\$4,300,000 (equivalent to approximately HK\$33,368,000)	<ul style="list-style-type: none"> – GAPL (<i>note 11</i>) – Mr. Chan Hing Ka Anthony – Mr. Loh Kim Her – Mr. Loh Nee Peng 	16 June 2004 9 June 2004

Notes:

1. Mr. Chan Hing Ka Anthony is an executive Director;
2. Mr. Loh Nee Peng is an executive Director;
3. Mr. Loh Kim Her is an executive Director;
4. Mr. Chan Kung Git is the father of Mr. Chan Hing Ka Anthony, an executive Director;
5. Mr. Loh Boon Cha is the father of Mr. Loh Nee Peng and the brother of the Mr. Loh Kim Her, both of whom are executive Directors;
6. L & B Holdings Pte Ltd. is a company incorporated in Singapore, the entire issued share capital of which is legally and beneficially owned as to 81.06% by Loh Family and as to the remaining by Mr. Loh Kim Her;
7. Kheng Eng (S) Pte Ltd. is a company incorporated in Singapore which is held as to 61% by Mr. Chan Hing Ka Anthony;
8. Harley Investment Pte Ltd. is a company incorporated in Singapore which is beneficially wholly owned by Mr. Loh Kim Her;
9. Ivory Investment Pte Ltd. is a company incorporated in Singapore which is beneficially wholly owned by Mr. Loh Kim Her;
10. The guarantee was provided to Development Bank of Singapore to secure the banking facilities granted to Beijing China National Automotive Spare Parts Ltd. (“BCNASP”), an independent third party and a business partner of the Group. The banking facilities facilitate the Group’s car rental business in the PRC, which is conducted in cooperation with BCNASP; and
11. German Automobiles Pte Ltd. (“GAPL”) is a wholly-owned subsidiary of the Company.

The delay of release was mainly due to the time needed for negotiations between the banks and the Group. As at the date of this announcement, all the aforementioned guarantees were released.

The delay of the release of guarantees contradicts with the disclosure in the Prospectus which states that the guarantees would be released prior to or upon the Listing. The Directors consider that the disclosure in the Prospectus was made based on the written consents of the banks to release the guarantees received before the Listing and their bona fide understanding from the banks at the time. The Board was aware of the delay of the release of the guarantees after the Listing. However, the Board was of the view that the delay in the release of the guarantees had no harm to the Company and its shareholders because the purpose of the guarantees was to secure banking facilities for the benefit of the Group or its business partner. Therefore, the delay was not considered a price-sensitive matter which required a public announcement be made pursuant to rule 17.10 of the GEM Listing Rules. Besides, the Board has disclosed its progress in the release of the guarantees in the 2002 annual report of the Company. Accordingly, the Board considers that it has taken steps to inform the shareholders of the Company about the delay of the release of the guarantees which is, in the view of the Board, not a price-sensitive matter. The Stock Exchange is looking into the matter, and reserves its right to take follow-up action as may be appropriate.

The Directors as at the date of this announcement are:

Executive Directors

Mr. Chan Hing Ka Anthony (*Chairman and Managing Director*)

Mr. Loh Kim Her

Mr. Loh Nee Peng

Mr. Xu Ming

Independent non-executive Directors

Ms. Lam So Ying

Mr. Lee Kwok Yung

By order of the Board
G.A. Holdings Limited
Chan Hing Ka Anthony
Chairman and Managing Director

Hong Kong, 17 June 2004

For the purpose of this announcement,

US\$1.00 = HK\$7.76

S\$1.00 = HK\$4.57

JPY\$1.00 = JPY0.073

DEM1.00 = HK\$5.02

The conversion rate is for the purpose of illustration only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at the aforementioned or any other rates.

This announcement, for which the directors of 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 of Hong Kong Limited (“GEM Listing Rules”) 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 GEM website on the “Latest Company Announcements” page for at least 7 days from the day of its posting.