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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**

**DISCLOSURE PURSUANT TO  
RULE 17.16 OF THE GEM LISTING RULES  
REGARDING ADVANCES AND TRADE RECEIVABLES**

This announcement is made pursuant to Rule 17.16 of the GEM Listing Rules to disclose certain advances to customers of the Group given that the amount of the increase of such advances individually exceeds 3% of the Market Capitalisation.

Pursuant to Rule 17.22 of the GEM Listing Rules, the advances and trade receivables to the customers of the Group will be disclosed in the third quarterly report of the Group for the nine months ended 30 September 2004.

Pursuant to Rule 17.16 of the GEM Listing Rules, a disclosure obligation arises when the increase of relevant advances to certain entities from the Group exceeds 3% of the Group's market capitalisation, being calculated by using the average closing prices of the Company's shares as stated in the Exchange's daily quotation sheets for the 5 business days immediately preceding 30 September 2004 (the "Market Capitalisation"). As at 30 September 2004, there were 400,000,000 shares of the Company in issue. Based on the average closing price of the Company's shares of HK\$0.1186 as quoted on the Stock Exchange for the trading days from 22 September 2004 to 28 September 2004 (both days inclusive), being the five trading days immediately preceding 30 September 2004, the Company's Market Capitalisation was approximately HK\$47.44 million. The increments of advances (the "Increment(s)") were comparing the balances as at 30 September 2004 with the balances previously disclosed in the interim report for the six months ended 30 June 2004 dated 12 August 2004 (the "Interim Report").

Details of the advances to entities from the Group as at 30 September 2004 which the amount of the increase individually exceeds 3% of the Market Capitalisation are set out below:

Name of Companies	As at 30 September 2004		Previously disclosed in the Interim Report		Increment as compared with Market Capitalisation
	S\$'000	HK\$'000	S\$'000	HK\$'000*	(%)
Xiamen Bunlung Automobiles Co. Ltd.	3,140	14,469	2,629	11,896	5%
Beijing Dong Shen Wei Ye Auto Sales Co. Ltd.	3,438	15,842	1,426	6,452	20%
Total	<u>6,578</u>	<u>30,311</u>	<u>4,055</u>	<u>18,348</u>	

\* convert using the exchange rate as at 30 June 2004.

#### **THE TRADE RECEIVABLES DUE FROM XIAMEN BUNLUNG AUTOMOBILES CO. LTD. ("XIAMEN BUNLUNG")**

As at 30 September 2004, the trade receivables due from Xiamen Bunlung, which is not connected with the Company, the Directors, chief executives, substantial shareholders or management shareholders of the Company and its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules), amounted to approximately S\$3,140,000 (equivalent to approximately HK\$14,469,000). The Increment represented 5% of the Market Capitalisation. The Increment was as a result of increase in sales of motor vehicles in the PRC to Xiamen Bunlung for meeting the demand of motor vehicles of its own customers. The Directors considered such receivables as ordinary course of the Group's business and on normal commercial terms. The receivables were unsecured, interest free and repayable by the end of December 2004.

#### **THE ADVANCES DUE FROM BEIJING DONG SHEN WEI YE AUTO SALES CO. LTD. ("DONG SHEN")**

The advances due from Dong Shen, which is not connected with the Company, the Directors, chief executives, substantial shareholders or management shareholders of the Company and its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules), were originally paid pursuant to an agreement between Dong Shen dated 5 February 2004. The agreement required Dong Shen to provide assistance to the Group in obtaining and handling necessary documents for importing automobiles, spare parts and maintenance equipment. However, as a result of practical difficulties, the Group and Dong Shen mutually agreed and entered into a supplemental agreement on 31 May 2004 to terminate the agreement dated 5 February 2004 and release both parties from the performance of any obligations of the agreement dated 5 February 2004. The aggregate advances amounted to approximately S\$4,779,000 (equivalent to approximately HK\$22,022,000). Dong Shen had refunded approximately S\$3,353,000 (equivalent to approximately HK\$15,451,000) in June 2004 and the remaining balance of S\$1,426,000 (equivalent to approximately HK\$6,571,000) will be repaid by the end of December 2004. In September 2004, the Group

further advanced approximately S\$2,012,000 (equivalent to approximately HK\$9,271,000). The total amount of advances from the Group to Dong Shen were approximately S\$3,438,000 (equivalent to approximately HK\$15,842,000). The Increment represented 20% of the Market Capitalisation. The Directors considered such advances as ordinary course of the Group's business and on normal commercial terms. The aggregate amount of advances of approximately S\$3,438,000 (equivalent to approximately HK\$15,842,000) were unsecured and interest free and will be repaid by the end of December 2004. The advances due from Dong Shen were approximately 16% of the Group's Market Capitalisation.

The Increment of advances from the Group to Dong Shen, being S\$2,012,000 (equivalent to approximately HK\$9,271,000) are for the payment of the import license, custom clearance fee and other custom related charges for imported cars which were shipped to the Group's customers via Tianjin Free Port. The payment is calculated on the basis of the number of imported motor vehicles being shipped. As disclosed under the section headed "Risk Factors" of the prospectus of the Company dated 10 June 2002, the PRC imposes restriction on the import of motor vehicles. Only certain entities are eligible to import motor vehicles into the PRC. Dong Shen is one of these eligible entities in the PRC that is allowed to import and distribute imported motor vehicles in the PRC. The advances will be repaid to the Group once the imported motor vehicles are successfully sold and delivered to the customers. The Directors consider that this practice is a common practice in the automobile industry in the PRC.

Pursuant to Rule 17.22 of the GEM Listing Rules, the advances and trade receivables to the above customers of the Group will be disclosed in the third quarterly report of the Group for the nine months ended 30 September 2004.

## **GENERAL**

The Group is principally engaged in the (i) distribution of passenger vehicles, in particular, BMW, Honda and Mercedes-Benz passenger vehicles to reseller in Hong Kong and the PRC whose sale targets are the end customers in the PRC; (ii) provision of marketing and technical assistance to North Anhua Group Corporation; (iii) provision of after-sales service such as motor vehicles repair and maintenance services in the PRC; and (iv) trading of auto parts and accessories in Hong Kong and the PRC.

## **DEFINITIONS**

"Company"	G.A. Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on GEM;
"Director(s)"	the director(s) of the Company;
"GEM"	the Growth Enterprise Market of the Stock Exchange;
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange;
"Group"	the Company and its subsidiaries; and
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.

*For the purpose of this announcement,  
S\$1.00 = HK\$4.525 as at 30 June 2004  
S\$1.00 = HK\$4.608 as at 30 September 2004*

Executive Directors of the Company as at the date hereof are Mr. Chan Hing Ka Anthony, Mr. Loh Nee Peng and Mr. Xu Ming. Independent non-executive Directors of the Company as at the date hereof are Mr. Yin Bin, Mr. Lee Kwok Yung and Mr. Zhang Lei.

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

Hong Kong, 26 October 2004

*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.*