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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)

ANNOUNCEMENT

**PROPOSED TERMINATION OF
THE FUZHOU SERVICE CENTRE CO-OPERATION PROJECT
AND
PROPOSED RELEASE OF SECURITIES UNDER
THE INDEMNITY AND GUARANTEE ARRANGEMENT**

Reference is made to the disclosure in the Prospectus, the Announcement and the Circular regarding the Fuzhou Service Centre Co-operation Project and the Deed of Indemnity and Guarantee (as supplemented by the Deed of Confirmation) given by the Indemnifiers and Guarantors in favour of the Group to indemnify the Group in respect of failure of the PRC partners to perform their respective obligations under the Co-operation Projects in accordance with the terms of the respective agreements. Except for the Fuzhou Service Centre Co-operation Project, all other Co-operation Projects have been completed within the timeframe stipulated in their respective agreements.

By a resolution passed by the independent Shareholders on 21 January 2004 and the Third Supplemental Agreement, the latest time for completion of the Fuzhou Service Centre Co-operation Project was extended to until 31 December 2004. As at the date of this announcement, the Fuzhou Service Centre Co-operation Project has not been completed. Details of the present status of the Fuzhou Service Centre Co-operation Project are set out in the section headed “The Fuzhou Service Centre Co-operation Project – Status of the Fuzhou Service Centre Co-operation Project” below. The Group has reached an agreement in principle with Jin Tian Cheng and North Anhua to terminate the Fuzhou Service Centre Co-operation Project.

Having considered the reasons set out in the sub-paragraph headed “The Proposal – Reasons for the Proposal”, the Directors proposed that subject to approval of the Independent Shareholders to (i) terminate the Fuzhou Service Centre Co-operation Project and enter into the Termination Agreement; (ii) not to enforce the rights of the Group under the relevant agreements to claim against North Anhua and Jin Tian Cheng and against the Indemnifiers under the Deed of Indemnity and Guarantee (as supplemented by the Deed of Confirmation) provided that Jin Tian Cheng repays the Prepayment to the Group in accordance with the Repayment Schedule; and (iii) release to the Indemnifiers and the Guarantor the Securities held in escrow to secure the performance of the obligations of the Indemnifiers and the Guarantor upon repayment of the Prepayment by Jin Tian Cheng in full.

Since construction of the Fuzhou service centre has not yet commenced and the other service centres of the Group are sufficient to service the current business needs of the Group, the Group has not suffered any loss or damages as a result of the delay in the completion of the Fuzhou service centre. Furthermore, in spite the terminate of the Fuzhou Service Centre Co-operation Project, it is the intention of the Company to construct the Fuzhou service centre on the Cangshan Land once the relevant construction approval is obtained so that the Group will still have the use of the Fuzhou service centre.

The Proposal is subject to the approval of the Independent Shareholders. The Termination Agreement will only be entered into upon obtaining approval of the Independent Shareholders. The Independent Non-executive Directors will seek the advice of an independent financial adviser to be appointed in respect of the Proposal.

A circular setting out (1) details of the Proposal; (2) the recommendation of the Independent Non-executive Directors and the advice of the independent financial adviser to be appointed in respect of the Proposal, whether or not to vote for the Proposal and the fairness and reasonableness of the Proposal; and (3) a notice for convening the Extraordinary General Meeting, will be dispatched to the Shareholders as soon as practicable. The executive Directors and Mr. Loh, North Anhua and their connected persons and their respective associates will abstain from voting on the Resolutions.

Reference is made to the disclosure in the Prospectus, the Announcement and the Circular regarding the Fuzhou Service Centre Co-operation Project and the Deed of Indemnity and Guarantee (as supplemented by the Deed of Confirmation) given by the Indemnifiers and Guarantors in favour of the Group to indemnify the Group in respect of failure of the PRC partners to perform their respective obligations under the Co-operation Projects in accordance with the terms of the agreements. Except for the Fuzhou Service Centre Co-operation Project, all other Co-operation Projects have been completed within the timeframe stipulated in their respective agreements.

By a resolution passed by the independent Shareholders on 21 January 2004 and the Third Supplemental Agreement, the latest time for completion of the Fuzhou Service Centre Co-operation Project was extended to until 31 December 2004. As at the date of this announcement, the Fuzhou Service Centre Co-operation Project has not been completed.

Pursuant to the Deed of Indemnity and Guarantee, the Indemnifiers have undertaken to indemnify the Group, among others, in respect of loss and damages arising out of the failure of Jin Tian Cheng, to perform its obligations under the agreements for the Fuzhou Service Centre Co-operation Project. The obligations of the Indemnifiers are guaranteed by the Guarantor, and the obligations of the Indemnifiers and the Guarantors are secured by the Securities.

THE FUZHOU SERVICE CENTRE CO-OPERATION PROJECT

Background

As disclosed in the Prospectus and the Circular, Xiamen BMW, a wholly owned subsidiary of the Company and Jin Tian Cheng entered into a project co-operation agreement for the construction of a service and maintenance centre in Fuzhou on 10 August 2001, as supplemented by an agreement dated 7 December 2001, an agreement dated 15 April 2002 and the Third Supplemental Agreement.

Under the agreements, Jin Tian Cheng is responsible for constructing the service centre in accordance with the requirements of Fuzhou BMW on the Cangshan Land and assisting Fuzhou BMW to obtain (i) the required permits under the laws of the PRC for the construction of the Fuzhou service centre; and (ii) the appropriate title certificates for the Cangshan Land and the buildings thereon upon completion of the construction of the same.

Under the agreements for the Fuzhou Service Centre Co-operation Project, Jin Tian Cheng is responsible for the construction cost of the service centre. Prepayment in the amount of RMB6,650,000 have been paid by the Group to Jin Tian Cheng for financing the construction cost of the Fuzhou service centre. Details of the payment of the Prepayment were set out in the Circular. Upon completion of the construction of the Fuzhou service centre on the Cangshan Land and the obtaining of the certificate of completion in respect of the buildings comprising the Fuzhou service centre, Fuzhou BMW shall have the right to occupy the Fuzhou service centre for a term of 20 years at a monthly rental of RMB10,000. Pursuant to the Third Supplemental Agreement, the latest time for Jin Tian Cheng to complete the construction of the service and maintenance centre in Fuzhou was extended to 31 December 2004.

The obligations of Jin Tian Cheng under the agreements dated 7 December 2001 and 15 April 2002 and the Third Supplemental Agreement are guaranteed by North Anhua.

Status of the Fuzhou Service Centre Co-operation Project

In February 2003, the layout plan of the service and maintenance centre on the Cangshan Land has been submitted by the Group to the Beijing office of BMW AG for approval and yet to be approved. Based on the current layout plan of the service centre, it is estimated that the cost of construction of the service centre on the Cangshan Land is approximately RMB6.65 million (equivalent to approximately HK\$6.27 million), which is equivalent to the Prepayment.

As stated in the Circular, on 21 February 2003, the Fuzhou City Planning Bureau has approved the Cangshan Land as the location for the construction of the automobile servicing and maintenance centre project. On 27 July 2004, Fuzhou BMW entered into the Land Agreement with the Management Office of Cangshan Technology Park (福州市科技園倉山管理辦公室) in relation to the Cangshan Land. Pursuant to the Land Agreement, Fuzhou BMW is to acquire the Cangshan Land for a consideration of RMB6,891,500, payable in three instalments, as to RMB3,500,000 upon the signing of the Land Agreement, as to RMB1,500,000 within seven days upon approval of the Fuzhou City Land Use Rights Bureau; and as to RMB1,891,500 upon approval of the construction permit for the Cangshan Land. As at the date of this announcement, an amount of RMB3,500,000, representing the first instalment of the consideration has been paid by the Group to the Management Office of Cangshan Technology Park (福州市科技園倉山管理辦公室). According to the Regulations, all agreements for transfer of State-owned land use right has to be approved by the relevant State Land Bureau after the issue of a public notice in relation to the transfer. The Company was informed by the Management Office of Cangshan Technology Park (福州市科技園倉山管理辦公室) that the public notification period in respect of the transfer of the Cangshan Land was made by the State Land Bureau on 13 October 2004 and has expired. However, the State Land Bureau has received objections from other business entities in relation to the transfer of the Cangshan Land to Fuzhou BMW on terms of the Land Agreement. Accordingly, the State Land Bureau cannot issue the confirmation for the transfer of the land use rights of the Cangshan Land under the Land Agreement. The Company was also informed that the Management Office of Cangshan Technology Park (福州市科技園倉山管理辦公室) is in the process of discussing the matter with the State Land Bureau to resolve the objections to the transfer of the Cangshan Land. The Company was advised by its legal adviser on PRC laws that failure to obtain the required confirmation from the State Land Bureau as a result of the objections to the transfer of the Cangshan Land is a force majeure event under the Land Agreement. The Company has also been advised by its legal adviser on PRC laws that in the event the confirmation cannot be obtained within a reasonable period of time, the Company can terminate the Land Agreement and request for a refund of the amount paid (which is RMB3,500,000, being the amount paid by the Group to the Management Office of Cangshan Technology Park (福州市科技園倉山管理辦公室) as at the date of this announcement).

THE INDEMNITY AND GUARANTEE ARRANGEMENT

Pursuant to a Deed of Indemnity and Guarantee (as supplemented by a Deed of Confirmation), the Indemnifiers have undertaken to indemnify the Group in respect of the failure of the PRC partners to perform their respective obligations under the agreements for the Co-operation Projects. The obligations of the Indemnifiers under the Deed of Indemnity and Guarantee are guaranteed by the Guarantor and the respective obligations of the Indemnifiers and the Guarantors are secured by the Securities.

As at the date of this announcement, the Securities comprise of (1) 77,148,000 Shares, representing approximately 19.287% of the issued share capital of the Company as at the date of this announcement (as to 32,000,000 Shares provided by Mr. Loh and registered in the name of Affluence Investment, as to 16,000,000 Shares provided by Mr. Chan and registered in the name of Tycoons Investment and as to 29,148,000 Shares by the Guarantor and registered in the name of the Guarantor); (2) one share in each of Tycoons Investment and Affluence Investment and 2.2 million shares in the capital of the Guarantor; and (3) cash in the amount of HK\$10,000,000, being the sale proceeds from the sale of 20,000,000 Shares by the Guarantor pursuant to the placing referred to in the Prospectus together with interest thereon. All the Securities are being held in escrow by the escrow agent as at the date of this announcement. As at the date of this announcement, the Securities have a value of approximately HK\$15.9 million, comprising Shares in the value of approximately HK\$5.7 million (based on the average closing price of the Shares for the five days up to 25 January 2005) and cash deposit in the amount of approximately HK\$10.2 million (sale proceeds from the sale of 20,000,000 Shares by the Guarantor pursuant to the placing referred to in the Prospectus together with interest thereon).

As at the date of this announcement, the Group has not suffered any loss or damages as a result of the delay in the completion of the Fuzhou service centre on the part of Jin Tian Cheng under the relevant agreements for the Fuzhou Service Centre Co-operation Project and the Group is not eligible for making any claim thereunder.

THE PROPOSAL

The Proposal

The Group has reached an agreement in principle with Jin Tian Cheng and North Anhua to terminate the Fuzhou Service Centre Co-operation Centre and the Director proposed that subject to approval by the Independent Shareholders to (i) terminate the Fuzhou Service Centre Co-operation Project and enter into the Termination Agreement; (ii) not to enforce the rights of the Group under the relevant agreements to claim against North Anhua and Jin Tian Cheng and against the Indemnifiers under the Deed of Indemnity and Guarantee (as supplemented by the Deed of Confirmation) provided that Jin Tian Cheng repays the Prepayment to the Group in accordance with the proposed schedule set out below; and (iii) release to the Indemnifiers and the Guarantor the Securities held in escrow to secure the performance of the obligations of the Indemnifiers and the Guarantor upon repayment of the Prepayment by Jin Tian Cheng in full.

Under the Proposal, it is proposed that Jin Tian Cheng will repay the amount of RMB6,650,000 (without interest thereon), being the prepayment paid by the Group to Jin Tian Cheng to finance the construction cost of the Fuzhou service centre as to RMB1,000,000 upon the signing of the Termination Agreement; and as to RMB5,650,000 within three months after the signing of the Termination Agreement (the "Repayment Schedule"). The Repayment Schedule is based on negotiation between the Group and Jin Tian Cheng and North Anhua taking into account the fact that Jin Tian Cheng would not agree to repay the Prepayment in one lump sum upon the signing of the termination agreement and the time and cost that would involve in pursuing a claim against Jin Tian Cheng in the PRC.

The Proposal is subject to approval by the Independent Shareholders at the Extraordinary General Meeting. Upon approval of the Proposal by the Independent Shareholders, the Company will execute the Termination Agreement. The release in respect of the Securities in favour of the Indemnifiers and the Guarantor will be given by the Company upon the repayment of the Prepayment in full and the escrow agent will return the relevant share certificates and pay the cash deposit to the Indemnifiers and the Guarantor upon the execution of the release by the Company.

Reasons for the Proposal

The Directors (including the Independent Non-executive Directors but excluding Mr. Chan and Mr. Loh Nee Peng) having considered the following reasons proposed to put forward the Proposal for the consideration of the Independent Shareholders:

- As at the date of this announcement, due to the delay in obtaining confirmation for the transfer of the Cangshan Land pursuant to the Land Agreement for reasons set out in the paragraph headed “The Fuzhou Service Centre Co-operation Project – Status of the Fuzhou Service Centre Co-operation Project” above, the construction permits for commencement of construction has not been issued and construction of the service and maintenance centre has not yet commenced.
- Due to the lack of progress in the construction of the service centre, the Directors do not considerate appropriate to allow further extension to the deadline for completion of the construction of the service centre by Jin Tian Cheng.
- Under the Proposal, Jin Tian Cheng will repay the Prepayment to the Group in accordance with the Repayment Schedule and the Group will not suffer any loss (tangible or intangible) as a result of the termination of the Fuzhou Service Centre Co-operation Project.
- Based on the estimation of the Group, the cost for constructing the service centre is approximately RMB6.65 million, which is approximately equivalent to the amount of the Prepayment. It is the intention of the Group to apply the Prepayment towards financing the construction of the service centre, accordingly, the construction of the service centre by the Group will not involve additional cash outflow.
- As the Group is still awaiting for the relevant governmental approvals for commencement of construction of the Fuzhou service centre, the Repayment Schedule will not affect the funding of the construction of the Fuzhou service centre as the Directors believe that by the time the Group can commence construction of the Fuzhou service centre, Jin Tian Cheng would have repaid the Prepayment under the Repayment Schedule.
- As the Land Agreement was entered into between Fuzhou BMW And the Management Office of Cangshan Technology Park, the land use right certificate of the Cangshan Land will be issued in the name of Fuzhou BMW. Fuzhou BMW is responsible for payment of the cost of the Cangshan Land under the Land Agreement whether the service centre is to be built by Jin Tian Cheng or the Group.

- By constructing the service centre by itself, the Group will own both the Cangshan Land and the service centre to be constructed thereon and will save rental payment in the aggregate amount of RMB2.4 million for the 20 years which the Group is entitled to occupy the service centre under the agreements for the Fuzhou Service Centre Co-operation Project, which would be payable to Jin Tian Cheng under the agreements for the Fuzhou Service Centre Co-operation Project.
- The Group will still have the benefit of the guarantee and indemnity given by the Indemnifiers and the Guarantor under the Deed of Indemnity and Guarantee which will not be released until the Prepayment is repaid to the Group by Jin Tian Cheng in full. Therefore, the Group can still claim against the Indemnifiers and the Guarantor in the event Jin Tian Cheng fails to repay the Prepayment in accordance with the Repayment Schedule.
- As the Group has not suffered any loss or damage as a result of the delay in the completion of the construction of the Fuzhou service centre and will not suffer any loss or damages under the Proposal, the Directors (excluding Mr. Chan and Mr. Loh Nee Peng) are of the view that to pursue claims against Jin Tian Cheng and/or North Anhua and/or the Indemnifiers and Guarantor in the circumstances may incur legal and other ancillary expenses and may bring further delay to the construction of the Fuzhou service centre pending the resolution of the matter.

The Directors (including the Independent Non-executive Directors but excluding Mr. Chan and Mr. Loh Nee Peng) also take into account the fact that since construction of the Fuzhou service centre has not yet commenced and the other service centres of the Group are sufficient to service the current business needs of the Group, the Group has not suffered any loss or damages as a result of the delay in the completion of the Fuzhou service centre. The construction of the Fuzhou service centre is part of the long term business plan of the Group rather than a move to meet the immediate business need of the Group. Upon termination of the Fuzhou Service Centre Co-operation Project, Jin Tian Cheng shall refund the Prepayment to the Group and it is the intention of the Company to construct the Fuzhou service centre on the Cangshan Land with the Prepayment to be refunded by Jin Tian Cheng, once the relevant construction approval is obtained so that the Group will still have the use of the Fuzhou service centre. In addition, as Jin Tian Cheng agreed in principal to repay the Prepayment according to the Repayment Schedule, if the Group does not accept the Proposal and insist on pursuing claims against Jin Tian Cheng and North Anhua, legal cost and other expenses and time will be incurred by the Group which the Directors believed are not in the best interest of the Company and the Shareholders as a whole although the Group may recover its loss against the Indemnifiers and the Guarantor under the Deed of Indemnity and Guarantee. This is because the Group will be responsible for paying for such expenses first before recovering the same from the Indemnifiers and the Guarantor. Accordingly, it is proposed under the Proposal that no action be taken to enforce the rights of the Group under the relevant agreements to claim against North Anhua and Jin Tian Cheng and against the Indemnifiers under the Deed of Indemnity and Guarantee (as supplemented by the Deed of Confirmation) provided that Jin Tian Cheng repays the Prepayment to the Group in accordance with the Repayment Schedule. In the premises, the Independent Non-executive Directors are of the view that the terms of the Proposal are fair and reasonable and in the interest of the Company and the Independent Shareholders.

GENERAL

A circular setting out (1) details of the Proposal; (2) the recommendation of the Independent Non-executive Directors and the advice of the independent financial adviser to be appointed in respect of the Proposal, whether or not to vote for the Proposal and the fairness and reasonableness of the Proposal; and (3) a notice for convening the Extraordinary General Meeting, will be dispatched to the Shareholders as soon as practicable. The executive Directors, Mr. Loh, North Anhua and their connected persons and their respective associates will abstain from voting on the Resolutions.

In the meantime, holders of shares of the Company and investors should exercise caution in dealing in the shares of the Company.

DEFINITIONS

“Affluence Investment”	Affluence Investment International Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Loh, one of the Indemnifiers. It is the registered holder of 16,000,000 Shares;
“Announcement”	the announcement made by the Company dated 9 December 2003;
“associates”	has the meaning ascribed thereto under the GEM Listing Rules;
“BMW AG”	Bayerische Motoren Werke Aktiengesellschaft, a Germany-based company that engages in the design, manufacturing and sale of motor vehicles under the brand name of BMW or where the context so requires, its subsidiaries, associated or affiliated companies;
“Board”	the board of Directors;
“Cangzhan Land”	the land located at Fujian Province, Fuzhou City, Cangshan Science Park on which the Fuzhou service centre is to be located;
“Circular”	the circular issued by the Company dated 6 January 2004;
“CNA Anhua (Hertz)”	中汽安華赫茲汽車服務有限公司 (China National Automotive Anhua Hertz Services Centre Co., Ltd*), a company established in the PRC and a wholly owned subsidiary of North Anhua;
“Company”	G.A. Holdings Limited (carrying on business in Hong Kong under the trading name of German Automobiles International Limited), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Growth Enterprise Market of the Stock Exchange;

“connected persons”	has the meaning ascribed thereto in the GEM Listing Rules;
“Co-operation Projects”	the co-operation projects between the Group and CNA Anhua (Hertz) and the Fuzhou Service Centre Co-operation Project;
“Deed of Confirmation”	the deed of confirmation dated 26 January 2004 given by the Indemnifiers and the Guarantor in favour of the Group in supplemental to the Deed of Indemnity and Guarantee;
“Deed of Indemnity and Guarantee”	the deed of indemnity and guarantee dated 5 June 2002 given by the Indemnifiers in favour of the Group and the underwriters named therein and guaranteed by the Guarantor, as supplemented by the Deed of Confirmation;
“Directors”	the directors of the Company;
“Extraordinary General Meeting”	the extraordinary general meeting to be convened for the approval of the Resolutions;
“Fuzhou BMW”	福州寶馬汽車服務有限公司 (Fuzhou BMW Automobiles Service Co., Ltd.*), a wholly foreign owned enterprise established in the PRC by German Automobiles Pte Limited, a wholly owned subsidiary of the Company;
“Fuzhou Service Centre Co-operation Project”	the co-operation project to construct a maintenance and service centre in Fuzhou pursuant to the project co-operation agreement dated 10 August 2001 entered into between Xiamen BMW Automobiles Service Co., Ltd. and Jin Tian Cheng as supplemented by two agreements dated 7 December 2001 and 15 April 2002, respectively entered into amongst Xiamen BMW Automobiles Service Co., Ltd., Jin Tian Cheng and North Anhua and the Third Supplemental Agreement;
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited;
“Group”	the Company and its subsidiaries;
“Guarantor”	Loh & Loh Construction Group Ltd., the guarantor to the obligations of the Indemnifiers under the Deed of Indemnity and Guarantee. It is the registered holder of 74,432,000 Shares;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;

“Indemnifiers”	Mr. Chan and Mr. Loh;
“Independent Non-executive Directors”	Mr. Yin Bin, Mr. Lee Kwok Yung and Mr. Zhang Lei, all of whom are independent non-executive Directors;
“Independent Shareholders”	Shareholders other than the executive Directors, Mr. Loh, North Anhua and their connected persons and their respective associates;
“Jin Tian Cheng”	北京金天成科貿發展有限公司 (Jin Tian Cheng Development Co., Ltd.*), a company established in the PRC and is owned as to 10% by North Anhua and the remaining interest is owned by independent third parties not connected with the Directors, chief executive, substantial shareholders (as defined in the GEM Listing Rules) or management shareholders (as defined in the GEM Listing Rules) of any member of the Group or any of their respective associates;
“Land Agreement”	the agreement dated 27 July 2004 and entered into between Fuzhou BMW and the Management Office of Cangshan Technology Park (福州市科技園倉山管理辦公室) in relation to the Cangshan Land;
“Mr. Chan”	Mr. Chan Hing Ka Anthony, the Chairman and Managing Director;
“Mr. Loh”	Mr. Loh Kim Her, an executive Director until his resignation on 9 July 2004 and a substantial shareholder of the Company (within the meaning of the GEM Listing Rules);
“North Anhua”	北方安華集團公司 (North Anhua Group Corporation*), a state owned company established in the PRC;
“PRC”	The People’s Republic of China;
“PRC partners”	CNA Anhua (Hertz), North Anhua and Jin Tian Cheng;
“Prepayment”	the amount of RMB6,650,000 prepaid by the Group to Jin Tian Cheng for financing the cost of construction of the Fuzhou service centre;
“Prospectus”	the prospectus issued by the Company dated 10 June 2002 in connected with the placing of the shares of the Company and the listing of the shares on the Growth Enterprise Market;
“Proposal”	the proposal to terminate the Fuzhou Service Centre Co-operation Project and to release the Indemnifiers and the Guarantor from their obligations under the Deed of Indemnity and Guarantee (as supplemented by a Deed of Confirmation);

“Regulations”	協議出讓國有土地使用權規定 (Regulations in relation to the agreements to transfer State-owned Land Use Rights) which came into force on 1 August 2003;
“Resolutions”	the resolutions regarding Proposal to be proposed for the consideration of the Independent Shareholders at the Extraordinary General Meeting;
“Securities”	the securities provided by the Indemnifiers and the Guarantor to secure the obligations of the Indemnifiers under the Deed of Indemnity and Guarantee, comprised of 77,148,000 Shares, one share in each of Tycoons Investment and Affluence Investment and 2.2 million shares in the share capital of the Guarantor (the 2.2 million shares are held by the Indemnifiers, Mr. Loh Nee Peng, an executive Director and Mr. Loh Boon Cha) and cash in the amount of HK\$10,000,000;
“Shareholder(s)”	holder(s) of shares of HK\$0.10 each in the capital of the Company;
“Termination Agreement”	The termination agreement proposed to be entered into among Xiamen BMW, Fuzhou BMW, Jin Tian Cheng and North Anhua in relation to the termination of the Fuzhou Service Centre Co-operation Project;
“Third Supplemental Agreement”	the supplemental agreement dated 24 February 2004 entered into among Xiamen BMW, Fuzhou BMW, Jin Tian Cheng and North Anhua in relation to the Fuzhou Service Centre Co-operation Project;
“Tycoons Investment”	Tycoons Investment International Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Chan, one of the Indemnifiers. It is the registered holder of 32,000,000 Shares;
“Xiamen BMW”	廈門寶馬汽車維修有限公司 (Xiamen BMW Automobiles Service Co., Ltd.*), a sino-foreign co-operative joint venture established in the PRC between German Automobiles Pte Limited, a wholly owned subsidiary of the Company and 廈門經濟特區運輸總公司 (Xiamen Economic Special Zone Transportation Corporation*), the registered capital of which is entirely contributed by the Group;

* *for identification purpose only*

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong; and

“RMB” Reminbi, the lawful currency of the PRC.

For the purpose of this announcement, HK\$1.00 = RMB1.06. 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.

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

Hong Kong, 25 January 2005

The Directors as at the date of this announcement are:

Executive Directors:

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

Mr. Loh Nee Peng

Mr. Xu Ming

Independent non-executive Directors:

Mr. Yin Bin

Mr. Lee Kwok Ying

Mr. Zhang Lei

This announcement, for which the directors of the Company collectively and individually accept all responsibility, includes particulars given in compliance with the GEM Listing Rules of The Stock Exchange of Hong Kong Limited 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 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.

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