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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

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

The Board wishes to announce that:

- on 3 June 2005, the Termination Agreement was entered into among Xiamen BMW, Fuzhou BMW, Jin Tian Cheng and North Anhua terminating the Fuzhou Service Centre Co-operation Project and the Prepayment in the amount of RMB6,650,000 was repaid to the Group;
- on 11 July 2005, the Company executed the Deed of Release in favour of the Indemnifiers and the Guarantor and the Securities were released to the Indemnifiers and the Guarantor.

Reference is made to the announcement made by the Company dated 25 January 2005 and the circular issued by the Company dated 11 April 2005 (the “Circular”), relating to 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 the Deed of Confirmation). Unless otherwise defined, terms used herein shall have the same meaning as in the Circular.

Following the approval of the Proposal by the Independent Shareholders at the Extraordinary General Meeting held on 29 April 2005 by a show of hands, the Board wishes to announce that:

- on 3 June 2005, the Termination Agreement was entered into among Xiamen BMW, Fuzhou BMW, Jin Tian Cheng and North Anhua terminating the Fuzhou Service Centre Co-operation Project;
- the Prepayment in the amount of RMB6,650,000, being the amount paid by the Group to Jin Tian Cheng to finance the construction of the Fuzhou Showroom Co-operation Project was repaid to the Group on 3 June 2005;
- on 11 July 2005, the Company executed the Deed of Release in favour of the Indemnifiers and the Guarantor releasing the Indemnifiers and the Guarantors from their respective obligations under the Deed of Indemnity and Guarantee (as supplemented by the Deed of Confirmation; and
- the Securities comprising 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 and cash in the amount of HK\$10,370,524.26 (being the amount of HK\$10,000,000 together with interest accrued thereon) were released to the Indemnifiers and the Guarantor on 11 July 2005 by the escrow agent.

With the repayment of the Prepayment by Jin Tian Cheng on 3 July 2005, the termination of the Fuzhou Showroom Co-operation Project was completed. As explained in the Circular, the termination of the Fuzhou Showroom Co-operation Project will not have any material adverse impact on the business and operation of the Group given that 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 and the other service centres of the Group are sufficient to service the current business needs of the Group. In addition, with the refund of the Prepayment, the Group has not suffered any monetary loss. As disclosed in the Circular, it is the intention of the Group to construct the Fuzhou service centre on the Cangshan Land with the Prepayment once the relevant construction approval is obtained so that the Group will still have the use of the Fuzhou service centre. Given that the Group has not suffered any loss or damages as a result of the termination of the Fuzhou Showroom Co-operation Project, the release of the Indemnifiers and the Guarantor from the Deed of Indemnity and Guarantee (as supplemented by the Deed of Confirmation) and the return of the Securities to them did not have any impact on the financial position of the Group.

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

Hong Kong 15 July 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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