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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)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

On 24 May 2010, the Company and the Subscribers entered into the Subscription Agreements in relation to the Subscriptions of an aggregate of 43,300,000 Subscription Shares by the Subscribers at the Subscription Price of HK\$0.225 per Subscription Share.

To the best of the knowledge of the Directors, having made all reasonable enquiries, each of the Subscribers is an Independent Third Party.

The Subscription Shares represent 10% of the existing issued share capital of the Company and approximately 9.09% of the Company's issued share capital as enlarged by the Subscriptions.

The net proceeds of approximately HK\$9.50 million from the Subscriptions will be applied in the manner set out in the sub-paragraph headed "Use of net proceeds" below.

The Subscription Price of HK\$0.225 per Subscription Share represents (i) a discount of approximately 15.1% to the closing price of HK\$0.265 per Share as quoted on the Stock Exchange on 24 May 2010, being the date of the Subscription Agreements; (ii) a discount of approximately 17.3% to the average of the closing prices of approximately HK\$0.272 per Share as quoted on the Stock Exchange for the last five trading days up to and including 24 May 2010; and (iii) a discount of approximately 53.7% to the audited net asset value per Share of approximately HK\$0.486 (equivalent to S\$0.088 at an exchange rate of S\$1=HK\$5.523) as at 31 December 2009.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscribers. The Directors consider that the terms of the Subscription Agreements (including the Subscription Price) are fair and reasonable based on the current capital market environment and in the interests of the Company and its Shareholders as a whole.

The completion of the Subscription Agreements is conditional upon, the Stock Exchange granting listing of and permission to deal in the Subscription Shares.

A. THE SUBSCRIPTION AGREEMENTS

1. Parties

The Company

and

The Subscribers, all of whom are individuals. To the best of the knowledge of the Directors, having made all reasonable enquiries, each of the Subscribers is an Independent Third Party.

2. The Subscriptions

Pursuant to the Subscription Agreements, the Subscribers have agreed to subscribe for an aggregate of 43,300,000 Subscription Shares at the Subscription Price of HK\$0.225 per Subscription Share.

3. The Subscription Shares

The Subscription Shares represent:

- (i) 10% of the existing issued share capital of the Company of 433,000,000 Shares; and
- (ii) approximately 9.09% of the Company's issued share capital of 476,300,000 Shares as enlarged by the Subscriptions.

The Subscription Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

At par value of HK\$0.10 each Share, the aggregate nominal value of the Subscription Shares is HK\$4,330,000.

4. The Subscription Price

The Subscription Price of HK\$0.225 per Subscription Share represents:

- (i) a discount of approximately 15.1% to the closing price of HK\$0.265 per Share as quoted on the Stock Exchange on 24 May 2010, being the date of the Subscription Agreements;
- (ii) a discount of approximately 17.3% to the average of the closing prices of approximately HK\$0.272 per Share as quoted on the Stock Exchange for the last five trading days up to and including 24 May 2010; and

- (iii) a discount of approximately 53.7% to the audited net asset value per Share of approximately HK\$0.486 (equivalent to S\$0.088 at an exchange rate of S\$1=HK\$5.523) as at 31 December 2009.

Taking into account the expenses of the Subscriptions in the amount of approximately HK\$244,000, the net price to the Company of each Subscription Share is approximately HK\$0.22.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscribers. The Directors consider that the terms of the Subscription Agreements (including the Subscription Price) are fair and reasonable based on the current capital market environment and in the interests of the Company and its Shareholders as a whole.

5. Condition of the Subscriptions

Completion of the Subscription Agreements is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares on or before 23 June 2010 or such other date as the Company and the Subscribers may agree.

6. Completion

Completion of the Subscription Agreements is expected to take place on the third business day following fulfilment of the condition of the Subscription Agreements.

B. GENERAL

1. General Mandate

The Subscription Shares will be issued under the General Mandate. As at the date of this announcement, no new Shares have been issued under the General Mandate. The Directors can issue and allot up to 86,600,000 Shares under the General Mandate.

2. Application for listing

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Subscription Shares.

C. REASONS FOR THE SUBSCRIPTIONS

The Group is principally engaged in the sales of motor vehicles and provision of car-related technical services, servicing of motor vehicles and sales of auto parts.

The Directors have considered various ways of raising additional funds for future use including bank borrowings, issue of debt securities, and the Subscriptions, etc. Being presented with this opportunity and considering the current rising trend of bank loan interest rates, the Directors considered that the Subscriptions were an appropriate means to raise capital for the Company as it could broaden the shareholder base and the capital base of the Company at a relatively low cost, when comparing with bank borrowings or issue of debt securities which would entail interest expenses whereas an equity issue would not involve any interest expenses.

D. USE OF NET PROCEEDS

The gross proceeds of the Subscriptions will amount to approximately HK\$9.74 million. After deducting relevant expenses of about HK\$244,000 from the Subscriptions, the net proceeds from the Subscriptions will amount to approximately HK\$9.50 million. The net proceeds from the Subscriptions will be applied as general working capital of the Group and should the Board identified feasible acquisition(s) in the future, the net proceeds may also be used to finance such future acquisition(s).

E. FUND RAISING ACTIVITIES OF THE GROUP IN THE PAST 12 MONTHS

The Group has not engaged in any fund raising activities for the 12 months immediately preceding the date of this announcement.

F. EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the shareholding structure of the Company upon issue of the Subscription Shares are set out as below:

Shareholders	As at the date of this announcement		Immediately after completion of the Subscription Agreements	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Substantial Shareholders				
Big Reap International Limited (<i>Note 1</i>)	54,865,480	12.67%	54,865,480	11.52%
Loh & Loh Construction Group Limited (<i>Note 2</i>)	45,284,000	10.46%	45,284,000	9.51%
Tycoons Investment International Limited (<i>Note 3</i>)	49,481,925	11.43%	49,481,925	10.39%
Affluence Investment International Limited (<i>Note 4</i>)	8,000,000	1.85%	8,000,000	1.68%
Fang Zhen Chun	90,792,000	20.97%	90,792,000	19.06%
Public Shareholders				
Public Shareholders as at the date of this announcement	184,576,595	42.62%	184,576,595	38.75%
The Subscribers	—	—	43,300,000	9.09%
Sub-total for Public Shareholders	184,576,595	42.62%	227,876,595	47.84%
Total	433,000,000	100%	476,300,000	100%

Notes:

1. Big Reap International Limited is wholly owned by Mr. Loh Nee Peng, an executive Director.
2. Loh & Loh Construction Group Limited is owned as to 49% by Mr. Chan Hing Ka Anthony, as to 15% by Mr. Loh Kim Her, as to 15% by Mr. Loh Nee Peng and as to 21% by Mr. Loh Boon Cha. Mr. Loh Nee Peng and Mr. Loh Boon Cha are executive Directors. Mr. Loh Boon Cha is the brother of Mr. Loh Kim Her and the father of Mr. Loh Nee Peng.
3. Tycoons Investment International Limited is wholly owned by Mr. Chan Hing Ka Anthony, who is also a shareholder of Loh & Loh Construction Group Limited. Mr. Chan Hing Ka Anthony also holds 376,000 Shares directly.
4. Affluence Investment International Limited is wholly owned by Mr. Loh Kim Her, who is also a shareholder of Loh & Loh Construction Group Limited and the brother of Mr. Loh Boon Cha, an executive Director.

G. TERMS AND DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“business day”	any day (other than a Saturday or Sunday) on which licensed banks in Hong Kong is generally open for business
“Company”	G.A. Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the GEM
“Director(s)”	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
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by resolutions of Shareholders passed at the annual general meeting of the Company held on 7 May 2010
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Third Parties”	persons or companies who are independent of and not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates, and the expression “Independent Third Party” means anyone of them
“PRC”	People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Ms. Tan Shirley, Ms. Tan Sady, Mr. Li Jianfei, Mr. Zhao Guiming and Mr. Tong Jianbin
“Subscription Agreements”	conditional subscription agreements entered into between the Company and each of the Subscribers, all dated 24 May 2010 in relation to the Subscriptions, and the expression “Subscription Agreement” means anyone of them
“Subscription Price”	HK\$0.225 per Subscription Share
“Subscription Shares”	43,300,000 Shares
“Subscriptions”	the subscriptions of an aggregate of 43,300,000 new Shares by the Subscribers pursuant to the Subscription Agreements
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“S\$”	Singaporean dollars, the lawful currency of Singapore
“%”	per cent.

By order of the Board
G.A. Holdings Limited
Loh Nee Peng
Managing Director

Hong Kong, 24 May 2010

As at the date of this announcement, Mr. Loh Boon Cha, Mr. Loh Nee Peng and Mr. Xu Ming are the Executive Directors; and Mr. Yin Bin, Mr. Lee Kwok Yung and Mr. Zhang Lei are the Independent Non-executive Directors.

This announcement, for which the directors of G.A. Holdings Limited (the “Company”) (the “Directors”) 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 for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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 Announcement” page on the GEM website and at www.hkgem.com and on the Company’s website www.ga-holdings.com.hk for at least 7 days from the day of its posting.