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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
RULES 17.15 AND 17.17 OF THE GEM LISTING RULES
REGARDING ADVANCES AND TRADE RECEIVABLES**

This announcement is made pursuant to Rules 17.15 and 17.17 of the GEM Listing Rules to disclose certain advances to customers of the Group which individually exceeds 8% 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 interim report of the Group for the six months ended 30 June 2004.

Failure to make the relevant disclosure pursuant to Rule 17.15 of the GEM Listing Rules on a timely manner constitutes a breach of such GEM Listing Rules. The Stock Exchange has indicated that it reserves its rights to take appropriate action against the Company and/or its Directors.

Pursuant to Rules 17.15 and 17.17 of the GEM Listing Rules, a disclosure obligation arises when the relevant advances to an entity from G.A. Holdings Limited (the "Company") and its subsidiaries (the "Group") exceeds 8% of the Group's market capitalisation, being calculated 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 June 2004 (the "Market Capitalisation"). As at 30 June 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\$0.0996 as quoted on the Stock Exchange for the trading days from 23 June 2004 to 29 June 2004 (both days inclusive), being the five trading days immediately preceding 30 June 2004, the Company's Market Capitalisation was approximately HK\$39.84 million.

Details of the advances to entities from the Group as at 30 June 2004 which individually exceed 8% of the Market Capitalisation are set out below:

Name of Companies	<i>S\$'000</i>	<i>HK\$'000</i>	% of Total Market Capitalisation
Beijing Hui Chuan Trading Co.	916	4,145	10%
Jung Xin Automobiles Co. Ltd.	875	3,959	10%
Forever Fortune Trading Co.	2,205	9,976	25%
Beijing Dong Shen Wei Ye Auto Sales Co. Ltd.	1,426	6,452	16%
Fuzhon Zhong Bao Trading Co. Ltd.	6,240	28,236	71%
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Total	<u>11,662</u>	<u>52,768</u>	

As at 30 June 2004, the trade receivables due from Beijing Hui Chuan Trading Co., 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\$916,000 (equivalent to approximately HK\$4,145,000). The receivables were incurred as a result of sales of motor vehicles in the PRC to Beijing Hui Chuan Trading Co. and 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 November 2004. The trade receivables due from Beijing Hui Chuan Trading Co. were approximately 10% of the Group's Market Capitalisation.

As at 30 June 2004, the trade receivables due from Jung Xin Automobiles Co. Ltd., 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\$875,000 (equivalent to approximately HK\$3,959,000). The receivables were incurred as a result of sales of motor vehicles in the PRC to Jung Xin Automobiles Co. Ltd. and 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 November 2004. The trade receivables due from Jung Xin Automobiles Co. Ltd. were approximately 10% of the Group's Market Capitalisation.

As at 30 June 2004, the trade receivables due from Forever Fortune Trading Co., 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\$2,205,000 (equivalent to approximately HK\$9,976,000). The receivables were incurred as a result of sales of motor vehicles in the PRC to Forever Fortune Trading Co. and 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 November 2004. The trade receivables due from Forever Fortune Trading Co. were approximately 25% of the Group's Market Capitalisation.

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

As at 30 June 2004, 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 the 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 released 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\$21,625,000). Dong Shen had refunded approximately S\$3,353,000 (equivalent to approximately HK\$15,173,000) in June 2004 and the remaining balance of S\$1,426,000 (equivalent to approximately HK\$6,452,000) will be repaid by the end of December 2004. The Directors considered such advances as ordinary course of the Group’s business and on normal commercial terms. The advances were unsecured and interest free. The advances due from Dong Shen were approximately 16% of the Group’s Market Capitalisation.

The advances from the Group to Dong Shen are for the payment of the import license and 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 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 imports 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 which are 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.

**THE TRADE RECEIVABLES DUE FROM FUZHOU ZHONG BAO TRADING CO. LTD.
 (“FUZHOU ZHONG BAO”)**

As at 30 June 2004, the trade receivables due from Fuzhou Zhong Bao, 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\$6,240,000 (equivalent to approximately HK\$28,236,000). The receivables were for the marketing activities of the PRC manufactured BMW motor vehicles in the PRC that commenced in October 2003 and the Directors considered such advances 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 Fuzhou Zhong Bao were approximately 71% of the Group’s Market Capitalisation.

The Group has entered with Xiamen Zhong Bao Automobiles Co. Ltd. (“Xiamen Zhong Bao”) a management and technical service contract (the “Contract”) in October 2003. According to the Contract, the Group has to provide management, technical and marketing services, after-sales service, warranty service and providing financial assistance to Xiamen Zhong Bao and its affiliated companies, including Fuzhou Zhong Bao. In return, the Group receives a fee of arranging from RMB8,000 to 13,000 for each motor vehicle sold by Xiamen Zhong Bao or its affiliated companies, including Fuzhou Zhong Bao. The Directors consider that it is a common industrial practice in the PRC.

The Directors admitted that the Company had failed to make the relevant disclosure pursuant to Rule 17.15 of the GEM Listing Rules on a timely manner and constituted a breach of such GEM Listing Rules. The Stock Exchange has indicated that it reserves its rights to take appropriate action against the Company and/or its Directors. To avoid future breach of Rules 17.15 and 17.16 of the GEM Listing Rules, the Company will recruit more professional accounting staff to closely monitor the the advances and receivables of the Group due from other entitles and ensure that the disclosure of information will be made in accordance with the GEM Listing Rules on a timely basis.

The Directors confirm that the abovementioned advances to entities from the Group as at 30 June 2004 have not been previously exceeded 8% of the Group's Market Capitalisation and are not required to be disclosed in pursuant to Rule 17.15 of the GEM Listing Rules, therefore the Directors consider that Rule 17.16 of the GEM Listing Rules does not apply.

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 interim report of the Group for the six months ended 30 June 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 maintenace 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

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

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 Yung

Mr. Zhang Lei

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

Hong Kong, 16 August 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 for at least 7 days from the day of its posting.