

**G.A. HOLDINGS LTD:  
IS SOMEBODY A LITTLE SHORT OF CASH ?**

Celestial Capital Ltd, a 51.27-percent-owned subsidiary of publicly listed Celestial Asia Securities Holdings Ltd (Code: 1049, Main Board, The Stock Exchange of Hongkong Ltd) has sued G.A. Holdings Ltd for \$HK250,000.

G.A. Holdings is, also, publicly listed on The Stock Exchange of Hongkong Ltd, being Stock Code Number 8126, The **G**rowth **E**nterprise **M**arket (The GEM).

According to District Court Action Number 2070, Celestial Capital Ltd entered into a Sponsor's Agreement with G.A. Holdings on June 10, 2002, just 7 days prior to the listing of G.A. Holdings on The GEM.

The Sponsor's Agreement was to be for the period, commencing June 17, 2002, and terminating on December 31, 2004.

It was, allegedly, agreed between managements of G.A. Holdings and Celestial Capital Ltd that G.A. Holdings would pay an Annual Advisory Fee of \$HK600,000 per annum, payable monthly at the rate \$HK50,000, to Celestial Capital Ltd.

However, according to the Statement of Claim, attached to Writ of Summons Number 2070, Celestial Capital Ltd has not been paid that part of its Annual Advisory Fee since July 2004.

As such, it is alleged that G.A. Holdings owes the sum of \$HK250,000 to Celestial Capital Ltd.

Solicitors, acting on behalf of Celestial Capital Ltd, are said to have written to G.A. Holdings, demanding payment, but to no avail, it is alleged.

According to the latest information about G.A. Holdings, which trades under the name of German Automobiles International Ltd, although things are not, exactly, popping at the company, it is still making a profit.

For the Financial Year, ended December 31, 2004, on a Turnover of about \$S100.25 million (about \$HK477.19 million), the Net Profit Attributable to Shareholders came in at about \$S1.74 million (about \$HK8.28 million).

In the 2003-Year, the Turnover was about \$S139.32 million (about \$HK663.16), on which a Net Profit Attributable to Shareholders of about \$S3.34 million (\$HK15.90) was recorded.

The drop in the Turnover for the 2004-Year was due, in large measure, to a material drop in business, transacted in the HKSAR, during that Year.

Turnover in the HKSAR fell from the 2003-Year's figure of about \$S50.13 million (about \$HK238.62 million) to the 2004-Year's figure of about \$S16.08 million (about \$HK76.54 million), a decline of about 68 percent, Year-On-Year.

On an aside, on April 15, 2005, G.A. Holdings announced that, as at February 28, 2005, the company had made unsecured, interest-free advances, repayable at the end of July 2005, to Jung Xin Automobiles Trading Company Ltd (\$HK12.60 million) and Yuet Join Industrial Ltd (\$HK6,929,000).

The advances, in the form of trade receivables, to these 2 companies, both of which were said not to be related to G.A. Holdings or any of the Directors, the Chief Executive or any Substantial Shareholder, aggregated \$HK19,529,000, equivalent to 68.76 percent of the market capitalisation, as at February 28, 2005.

Under The GEM Listing Rules, companies are obliged to make such disclosures when advances or trade receivables individually exceed 3 percent of the market capitalisation of the company.

### **Turning The Spotlight On The Celestial Sphere**

Turning to the Group of Companies, under the 'umbrella' of [Celestial Asia Securities Holdings Ltd](#) ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com) or [targnews@hkstar.com](mailto:targnews@hkstar.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*